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Central Eurasia

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Central Eurasia

FBIS-SOV-94-167 *29 August 1994*

CONTENTS

INTERREGIONAL AFFAIRS

CIS Foreign, Defense Officials Discuss Integration *[RESPUBLIKA 27 Aug]* 1
Production Decline Accelerated in Jul *[IZVESTIYA 26 Aug]* 1
ITAR-TASS Carries Press Review for 27 Aug 1

RUSSIA INTERNATIONAL AFFAIRS

Reportage on Foreign Minister's Belgrade Visit 3
Kozyrev on Visit Aims *[ITAR-TASS]* 3
Kozyrev Remarks on Arrival *[ITAR-TASS]* 3
Talks With Milosevic End *[ITAR-TASS]* 4
Kozyrev To Meet Izetbegovic *[ITAR-TASS]* 4
Lifting of FRY Sanctions To Be Sought in Security Council *[Moscow TV]* 5
Moscow Will 'Force' Sanctions End if FRY Holds Position *[INTERFAX]* 5
Commentary on Reasons for UN Lifting FRY Sanctions *[Moscow International]* 5
Georgian Refugee Talks Hindered by 'Political Issue' *[ITAR-TASS]* 6
Shakhray Assesses Abkhaz Treaties, Caucasus *[Russian TV]* 6
Soskovets To Discuss Restoration of Cuban Trade Ties *[INTERFAX]* 6
Paper Views Likely Effects of U.S. Cuba Policy *[IZVESTIYA 27 Aug]* 7
Foreign Ministry on DPRK Leaflet Issue *[ITAR-TASS]* 8
Presidential Envoy Meets, Confers With Israeli Premier *[Radio Rossii]* 8
Kozyrev Sums Up Tashkent Talks on Tajikistan *[Moscow TV]* 8
General Updates Tajik-Afghan Border Situation *[ITAR-TASS]* 9
Chernomyrdin Meets With Kazakh Counterpart *[Moscow Radio]* 9
Oil Cooperation Topic of Discussion *[ITAR-TASS]* 9
Yegor Gaydar Arrives in Finland *[ITAR-TASS]* 10
Mulatov Commentary Views New Relationship With PRC *[Moscow International]* 10
Academic Comments on Ukrainian Ministerial Reshuffle *[ITAR-TASS]* 10
Ministry Protests U.S. Visa Practices *[ROSSIYSKIYE VESTI 26 Aug]* 11
Official Defends Joint-U.S. Military Exercises *[ITAR-TASS]* 11
Spending Cuts Impact on U.S. Defense Programs *[IZVESTIYA 26 Aug]* 11
Indian Minister To Discuss Scientists' 'Exodus' *[Delhi International]* 12

RUSSIA NATIONAL AFFAIRS

Political Issues

Shakhray Says Government To Stay Despite Opposition *[INTERFAX]* 13
Yavlinskiy Denies Rumors, Views Prospects *[OBSHCHAYA GAZETA 1 Sep]* 13
Deputy Yakunin Accuses Church of KGB Ties *[Munich SUEDDEUTSCHE ZEITUNG 24 Aug]* . 14
Businessmen Issue Ultimatum to President, Government *[Russian TV]* 16
People's Conscience Party Leader on Growing Membership *[INTERFAX]* 16

Media Issues

State Grants Subsidies to Periodicals *[KOMMERSANT-DAILY 26 Aug]* 16
Ostankino May Reduce Broadcasting To Save Money *[Radio Rossii]* 17
Unions Meet With Ostankino, RTV Leaders
[NOVAYA YEZHEDNEVNAYA GAZETA 26 Aug] 17

Economic Issues

Chernomyrdin: No Debt Conciliation Planned *[INTERFAX]* 17
Chernomyrdin on Grain Prices, Annual Harvest *[ITAR-TASS]* 18

Soskovets: Government To Subsidize Defense Industry *[Moscow TV]* 18
Defense Sector IOU's Worth R600 Billion To Be Signed *[ITAR-TASS]* 18
Shokhin Views Draft 1995 Budget *[ITAR-TASS]* 19
Ministry Hopes To Stimulate Private Investment *[INTERFAX]* 19
Ruble's Buying Power Set To Increase Against Dollar
[NOVAYA YEZHEDNEVNAYA GAZETA 26 Aug] 19

Military & Space Issues

Yeltsin Appoints Burlakov Deputy Defense Minister *[ITAR-TASS]* 20
Profile of New Deputy Defense Minister *[ITAR-TASS]* 20
Grachev Outlines Options for Border Troops *[Moscow TV]* 20
Grachev: No Differences With Yeltsin on 14th Army *[ITAR-TASS]* 20
Grachev, Lebed Hold 'Friendly' Meeting *[Moscow TV]* 21
CIS Troop Withdrawal 'Virtually' Complete by 31 Aug *[INTERFAX]* 22
Generals Concerned About Possible Military Shakeup *[NEZAVISIMAYA GAZETA 27 Aug]* 22
Satellite Launched From Baykonur 26 Aug *[ITAR-TASS]* 23

Regional Affairs

Chechen Parliament To Increase Executive Power *[INTERFAX]* 23
New Dudayev Powers Reported *[Moscow Radio]* 23
Dudayev Forces Outmaneuver Opposition Rebels *[INTERFAX]* 24
Chechnya Envisions Possible 'Second Afghanistan' *[Moscow Radio]* 24
Dudayev: Yeltsin Budgeted for Chechnya Subversion *[Moscow Radio]* 24
Chechnya Claims Russian, Western Media Distortions *[ITAR-TASS]* 24
Khasbulatov Denies Claim to Power in Chechnya *[ITAR-TASS]* 25
Chechen Opposition Planning Anti-Dudayev Effort *[ITAR-TASS]* 25
Chechen Opposition Claims Takeover of Urus-Martan *[Moscow TV]* 25
Ex-Groznyy Mayor Says Dudayev's Future 'Doomed' *[ITAR-TASS]* 25
Moscow-Backed Chechen Leader on Situation *[Moscow TV]* 25
Deputy Premier Shakhray on Chechen Situation *[Moscow TV]* 26
Ingush Congress Requests Observers for Repatriation *[INTERFAX]* 27
'Putina-94' Antipoaching Operation Under Way *[Vladivostok Radio]* 28
Antipoaching Operation Nets R7.5 Million Profit *[IZVESTIYA 26 Aug]* 28
More on Operation 'Putina' *[KRASNAYA ZVEZDA 26 Aug]* 28
Commander Denies Special South Kurils Division *[KURANTY 27 Aug]* 29
Panov on 15 Aug Shooting Off South Kuril Islands *[Tokyo ASAHI SHIMBUN 24 Aug]* 29
Chernomyrdin To Begin Orenburg Oblast Visit
[NOVAYA YEZHEDNEVNAYA GAZETA 26 Aug] 29
Orenburg Legislators Oppose Russian-U.S. Exercises *[INTERFAX]* 29
Bashkortostan Doubts Status Despite Treaty *[KRASNAYA ZVEZDA 26 Aug]* 29
Bashkiria's Ex-Premier Highlights Power Crisis *[KOMMERSANT-DAILY 27 Aug]* 30
North Ossetia Ready To Act on Georgian Refugees *[NEZAVISIMAYA GAZETA 26 Aug]* 31
'Hazardous' Coal Mines To Be Closed Down *[Moscow Radio]* 31

UKRAINE

International Affairs

CSCE Mission To Help Settle Crimean Problem *[INTERFAX]* 32
Russia May Be Guarantor To Crimea-Ukraine Agreement *[INTERFAX]* 32
Russian Advisor Backs Sevastopol City Council Action *[ITAR-TASS]* 32
Economy, Finance Ministers in Moscow for Talks *[Kiev International]* 32
Official on Border Troop Agreement With Russia *[KIYEVSKIYE VEDOMOSTI 19 Aug]* 33
Acting Foreign Minister Views Policy Priorities *[INTERFAX]* 34
Masol Holds News Conference Prior to Bratislava Visit *[Kiev International]* 34
New Foreign Trade Minister Outlines Policy *[UNIAR]* 35
Osyka Wants Ties With Former USSR, CEMA *[ITAR-TASS]* 35
Deputy Speaker, FRG Envoy Discuss Aid *[HOLOS UKRAYINY 26 Aug]* 36
Delegation Visits Uzbekistan, Kyrgyzstan *[Kiev International]* 36

National Affairs

Kuchma Issues Edict To Combat Economic Crime *[ITAR-TASS]* 36
Kuchma Issues Edict on Antidumping Measures *[INTERFAX]* 36
Kuchma's Reshuffle at Top Viewed *[KOMMERSANT-DAILY 26 Aug]* 37
Masol Rules Out Currency Reform Before Mid-1995 *[ITAR-TASS]* 37
TASS Interviews New Defense Minister Shmarov *[ITAR-TASS]* 38
Shmarov Favors Joining Nonproliferation Treaty *[INTERFAX]* 38
Favors More Contacts With Russia *[INTERFAX]* 38
Stresses Economic Side of Army Reform *[Kiev TV]* 39
Report on Defense Minister's News Conference *[Kiev International]* 39
New Progressive Party Organized *[SAMOSTIYNA UKRAYINA 23 Aug]* 41
Article Claims Oligarchy Has Replaced Totalitarianism *[KHRESHCHATYK 16 Aug]* 42
Kuchma, Crimean Leaders Discuss Relations *[UNIAR]* 43
Deputies Seek Support for Russian Legal Status *[UNIAN]* 43
Crimean Parliament Supports Sevastopol Resolution *[UNIAR]* 43
Justice Ministry Opposes Sevastopol Council Plans *[ITAR-TASS]* 44
Calls Sevastopol Action 'Unlawful' *[UNIAN]* 44
Navy Council Protests Sevastopol Resolution *[UNIAN]* 44
Crimean Political Union Warns of Crisis *[UNIAN]* 44
Crimean Communists Rally; Urge Government Resignation *[Kiev International]* 45
Drought Forces Water Rationing in Simferopol *[IZVESTIYA 26 Aug]* 45

CENTRAL ASIA

Kazakhstan

Kazakhstan To Share Use of Emba Testing Ground *[Moscow Radio]* 46
Grain Harvest of 22 Million Tonnes Expected *[Moscow TV]* 46

Kyrgyzstan

Akayev Chairs State Security Council Meeting *[Bishkek Radio]* 46
President To Visit Turkey 17-18 Oct *[Bishkek Radio]* 46
Akayev Meets With Local Leaders on Self-Government *[Bishkek Radio]* 46
Akayev Urges New Approach to 1995 Budget *[INTERFAX]* 47
Security Printing Joint Venture With German Firm *[ROSSIYSKAYA GAZETA 25 Aug]* 47

Tajikistan

Russian Guards Fight Opposition on Afghan Border *[ITAR-TASS]* 47
Russian Officer on Missile Attack on Border Post *[ITAR-TASS]* 48
Number of Refugees in Badakhshan Increasing *[Dushanbe Radio]* 48

Uzbekistan

Rakhmonov on Russian-Uzbek Talks on Tajik Crisis *[INTERFAX]* 48
Progress of Privatization in Bukhara Oblast *[Tashkent Radio]* 48
Air Force Commander Threatens Power Station Takeover *[Vladivostok Radio]* 49

CAUCASUS

Armenia

Ter-Petrosyan, CSCE's Eliasson on Karabakh Truce *[INTERFAX]* 50
More Eliasson on Karabakh Cease-Fire *[AFP]* 50
Karabakh Defense Chief On Status of Peace Process
[ARAGIL ELECTRONIC NEWS BULLETIN] 50
Azerbaijani Shelling of Border Regions Reported *[Yerevan Radio]* 50

Azerbaijan

Aliyev Meets CSCE Minsk Group Chairman *[TURAN]* 51
Aliyev Wants a 'Big Agreement' With Armenia *[ITAR-TASS]* 52
Boz Gurd Party Members Support Chechen President *[TURAN]* 52
Azerbaijan's Claim of GRU Officers' Arrest Denied *[INTERFAX]* 52
Aliyev's Meeting With Pennzoil President Reported *[TURAN]* 52

Georgia

Israel Thanks Shevardnadze for Support *[IPRINDA]* 52
Shevardnadze Receives Bulgarian Trade Delegation *[Sofia Radio]* 53
Shevardnadze, Bulgarian Delegation Sign Economic Agreement *[IPRINDA]* 53
Russian Troops Will Not Participate in Exercises *[ITAR-TASS]* 53
Abkhazian Deputy Speaker Says All Quiet in Republic *[OBSHCHAYA GAZETA 1 Sept]* 53
Refugee Specialists in Abkhazia Called Propaganda *[INTERFAX]* 54
Foreign Debt to Russia Amounts to 71 Billion Rubles *[Moscow TV]* 54
Russian Ambassador on Economic Cooperation *[SAKARTVELOS RESPUBLIKA 18 Aug]* 54
Parliament Chief Denies Pro-Russian Policy *[NEZAVISIMAYA GAZETA 27 Aug]* 55
Opposition Parties' Solidarity With Chechen People *[INTERFAX]* 55
Former Speaker Seeks Asylum in Finland *[ITAR-TASS]* 56

BALTIC STATES

Estonia

Defense Ministry Troops on Final Russian Departure *[INTERFAX]* 57
'Special Regime' for Opening Reactor Canceled *[BNS]* 57
Government Imposes Economic Sanctions on Haiti *[ETA]* 57

Latvia

Candidate for Premier Maris Gailis Profiled *[ITAR-TASS]* 57
Bank President Comments After IMF Visit *[Riga Radio]* 58

Lithuania

Economic Referendum Invalid Due to Low Turnout *[Vilnius Radio]* 58
Further on Invalid Economic Referendum *[ITAR-TASS]* 58
Prime Minister Insists on Link With U.S. Dollar *[INTERFAX]* 59

CIS Foreign, Defense Officials Discuss Integration

WS2908104694 Minsk RESPUBLIKA in Russian 27 Aug 94 p 2

[Report by Larisa Klyuchnikova: "Experts Worked Efficiently"]

[Text] Plenipotentiary representatives of CIS Foreign and Defense Ministries have finished their meeting at CIS Headquarters in Minsk. The CIS member states were represented by deputy ministers and ranking employees from the respective Foreign and Defense Ministries. In the words of Yuriy Belousov, executive secretary of the CIS, the work on specific documents was complicated, but conducted in the spirit of compromise. As a result, the experts put together and unanimously recommended a draft memorandum and a prospective plan for integration within the CIS. The draft will be discussed at the meeting of the Coordination and Consultative Committee and the Council of Government Leaders, scheduled to convene in early September.

The memorandum of the Council of CIS State Leaders, entitled "The Main Directions of Integration Within the CIS," noted, among other things, that the "main short-term and long-term direction of integration is the introduction of efficient economic cooperation as the chief prerequisite for overcoming crisis and boosting the economies of all CIS states."

In the sphere of military cooperation, activation of the CIS collective security system is envisioned as a priority task based on the treaty signed on 15 May 1992. The memorandum also points to the need to implement the idea of collective peacekeeping activities by the CIS states directed at peaceful and diplomatic resolution of all contradictions based on UN, CSCE, and other principles.

Production Decline Accelerated in Jul

MM2608145194 Moscow IZVESTIYA in Russian 26 Aug 94 p 1

[INTERFAX report: "CIS Economic Slump Accelerated in July"]

[Text] Industrial production in the CIS in July was 31 percent lower than the December 1993 level, the Commonwealth's Statistics Committee has announced.

Output in July fell by 12 percent on the previous month, whereas June had seen a 4-percent increase. Compared with the level at the end of 1993, industrial production has fallen by 27-28 percent in Russia and the Ukraine, 33-34 percent in Uzbekistan and Tajikistan, 36-37 percent in Kazakhstan and Belorussia [Belarus], 44-45 percent in Armenia and Moldavia [Moldova], 52 percent in Kirghizia [Kyrgyzstan] and Turkmenia, 57 percent in Azerbaijan, and 68 percent in Georgia.

ITAR-TASS Carries Press Review for 27 Aug

LD2708065394 Moscow ITAR-TASS in English 0548 GMT 27 Aug 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow 27 Aug (TASS) —"Following the dismissal of Belarusian Defence Minister Colonel General Pavel Kozlovskiy, Belarusian President Alyaksandr Lukashenka continued the reshuffling in the top military echelon," NEZAVISIMAYA GAZETA writes.

According to the newspaper, the news from Minsk did not add optimism to those who occupy the fifth floor of the impressive building of the Russian Defence Ministry in the Arbat square, where the Russian military elite is concentrated. Moscow generals are following with concern what is happening to their Minsk colleagues and are waiting with anxiety for the forthcoming changes in the leadership of the Russian Defence Ministry. Names of possible candidates to the top posts are being mentioned, their defects and strong points are being discussed. The names of Colonel Generals Mikhail Kolesnikov and Andrey Nikolayev are mentioned more often than others. Rumours are circulating that Pavel Grachev will be offered a choice between the post of the official in charge of the military policy at the president's administration and Russia's representative at the NATO headquarters within the framework of the Partnership for Peace programme.

According to the existing information, NEZAVISIMAYA GAZETA continues, all attempts of Pavel Grachev to be given an audience with President Yeltsin have failed so far. Yeltsin does not disclose his plans and spends evenings in the company of Aleksandr Korzhakov, with whom he has long conversations. It is an open secret that the president heeds the opinion and values the advice of the head of his security service. By all appearances, the president is now working out in Sochi his political strategy for the coming autumn, which will hardly be easy. Depending on the results, Yeltsin will either decide to take part in the 1996 presidential elections, or will stay away from them. Changes in the top echelons of power, which are almost certain to affect the Defence Ministry too, are going to be a key element of his strategy.

Describing the economic situation in Russia, IZVESTIYA writes that the Russian economy desperately needs more investments. Another package of economic decrees of President Yeltsin, which is expected in September, will try to give a new impetus to the investment process, Russian Deputy Prime Minister Aleksandr Shokhin told IZVESTIYA.

According to IZVESTIYA, as a result of consultations with commercial banks, the government is going to suggest the following plan: an investor will invest 80 per cent of the money needed for the implementation of a project and will ask the state to supply the remaining 20 per cent. The government believes that a possibility to receive that share on easy terms, plus the participation of the government in the project, should make the investor feel more confident. One of the president's decrees from the package will deal with the interests of small business. Those working in that sphere are often faced with the

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need to spend on purchasing costly equipment more money than they can afford. In order to help them, it is planned to create the system of financial leasing: private leasing companies will lease to business people the equipment they order.

Commenting on the resignation of Ukrainian Foreign Minister Anatoliy Zlenko and the appointment of Hennadiy Udovenko to that post, IZVESTIYA writes that "the political course to be pursued by the new foreign minister will hardly be very much different from that of his predecessor." People whom an IZVESTIYA correspondent interviewed in Kiev believe that the activisation of the Ukrainian foreign policy will manifest itself in establishing more close relations with the CIS member states, East European countries, the European Community and especially with the United States, taking into account the fact that the new foreign minister knows very well the policy-making process in America. So far as Russia is concerned, it was the priority direction of Ukraine's foreign policy, when Zlenko was foreign minister, and is sure to remain as such during the term in office of Udovenko.

Describing the situation in Chechnya, to which newspapers continue to give wide coverage, KRASNAYA ZVEZDA writes that "the Chechen leadership was concerned over the deployment of additional Interior Ministry troops in Dagestan." a spokesman for the Russian Ministry of the Interior explained that this measure was not connected in any way with the worsening of the situation in Chechnya. Its purpose is to block the spreading of cholera in the region, the newspaper writes. KRASNAYA ZVEZDA describes the decision of the Chechen opposition to postpone a march to Groznyy, scheduled for August 25, where they intended to present Dzhokhar Dudayev with an ultimatum, as a "reasonable step, because the comming of opposition forces to the capital would inevitably result in clashes."

According to ROSSIYSKAYA GAZETA, the treaty of friendship with Cossacks of the Don troop, signed in Groznyy, "came as a shock to cossacks from the territories bordering on Chechnya, who had no idea that the treaty was being prepared." Pyotr Fedosov, Ataman (head) of the Cossack troop of the Terek region and head of the department in charge of Cossack affairs at the local administration of the Stavropol territory, described that step as treachery in an interview with ROSSIYSKAYA GAZETA. Stavropol Cossacks are planning to hold a large meeting on august 27, where they will give their assessment of the treaty.

KRASNAYA ZVEZDA carries an interview with Colonel General Vladimir Zhurbenko, first deputy head of the general staff of the Russian Armed Forces and member of the interdepartmental commission for military-technical cooperation between Russia and other countries. He said that "Russia's share in the world arms trade was 38 per cent in 1989, while by 1993 it went down to seven per cent." according to Zhurbenko, there is every reason to believe that in the future Russia's niche in the world arms trade will be about the same as that of the United States, which accounts now for 57 per cent of arms exports.

ROSSIYSKAYA GAZETA Publishes an article by Uzbek Prime Minister Abdulkhashim Mutalov, who writes: "Much has been done in the past three years. But I do not mean to say that all problems have been resolved, and Uzbekistan is on the rise. A lot of problems, and serious ones at that, remain to be resolved. We cannot but be worried over the disruption of traditional ties with the former USSR republic, especially with Russia. The impossibility of payment transactions between our countries is doing much harm to our cooperation. It is paradoxical, but there are only a few joint Russian-Uzbek enterprises. In my opinion, this separation runs counter to the logic of life... I am positive that the time has come to start working on a civilised level, without anybody's diktat and instructions. Mutually advantageous partnership should be the main criterion of our cooperation, which has ages-long history."

ROSSIYSKIYE VESTI carries an article entitled "how Russian Soviet Yeliseev was killed" about Yuriy Sokolov. It says that Artyom Sarumov, a lawyer, raised the question of revising the case of the director of the Yeliseev supermarket in Moscow, who was executed by shooting in 1984.

TRUD publishes an interview with First Deputy Minister of Labour Valeriy Klosov, who told the newspaper about a new policy with regard to incomes of the population, worked out by the ministry. "Want to be rich? You may achieve it by working," the newspaper summed up the main principle of the new policy.

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Reportage on Foreign Minister's Belgrade Visit

Kozyrev on Visit Aims

LD2808174594 Moscow ITAR-TASS World Service in Russian 1600 GMT 28 Aug 94

[Text] "The main aim of my visit to Belgrade is to coordinate efforts in support of the peace plan for Bosnia-Herzegovina put forward by the international contact group," Andrey Kozyrev said before leaving Moscow. "My aim is to see to it that the 'party of peace' wins a victory over 'the party of war'."

The Russian minister denied media reports that the main aim of his Yugoslav trip is to convince Serbian President Slobodan Milosevic that he should agree to international monitoring on the borders between the Federal Republic of Yugoslavia and territories controlled by the Bosnian Serbs. "That's wrong. The main thing as we see it is to help President Milosevic implement the measures the Government of Serbia adopted in relation to the Bosnian Serbs in an attempt to meet the peace plan half way," A.Kozyrev said. At the same time, he said it would be "a gesture of goodwill" if the Federal Republic of Yugoslavia were to invite foreign observers to verify that the border with the Bosnian Serbs was really closed.

Answering a question from the ITAR-TASS correspondent on the prospects of relaxing the sanctions on the Federal Republic of Yugoslavia the Russian minister stated: "The contact group still has to take the step that will be in correspondence with the changed situation. The issue at hand is not the tightening of sanctions or the introduction of additional sanctions against Belgrade, as some UN politicians mechanically continue to think, but quite the opposite: It is the necessity to lift at least some of the sanctions on the Federal Republic of Yugoslavia. This way we must show the Serbs clearly that every move in the right direction will be met by an answering positive reaction from the international community. In the very complicated political fight that has developed in Belgrade, where, as it has become clear, national decisions in favor of peace can be obtained only by way of political battles, it is important that Russia and other representatives of the international community be on 'the right side of the barricades' and use all their political clout to achieve a peaceful solution of the conflict in Bosnia and Herzegovina. Unfortunately, so far not all within the framework of the contact group are being sufficiently flexible to take into account the changes in the positions of the sides. Because of that, together with the serious work that we will have to carry out in Belgrade, we will also have to have a serious talk with the members of the 'contact group'.

"The political leaders of the Bosnian Serbs have rejected the peace plan, but though we condemn them for this decision, it is no reason to stoke up the fires of war even further," Andrey Kozyrev said. "Unfortunately, we are receiving more and more reports of increasing military activity in Bosnia-Herzegovina and, according to the information we have, the Muslim-Croat side is the guilty party. Before tomorrow's meeting with Alija Izetbegovic I should not like to give a harsher judgement, but we make no secret of our concern about the situation that is emerging".

"From the very beginning of the Bosnian conflict Russia has never been the protector of any one side: We have always proceeded from the fact that a balanced approach to a settlement must be taken," the Russian minister commented. "In Bosnia there is too much at stake, and I would therefore like to hear the position of all the sides. And I would like to warn the Muslim-Croat side against succumbing to the temptation to use the Bosnian Serbs' rejection of the 'Contact Group' plan as grounds for stepping up military action against them".

Kozyrev Remarks on Arrival

LD2808195194 Moscow ITAR-TASS in English 1925 GMT 28 Aug 94

[By ITAR-TASS correspondents Ivan Ivanov, Yuriy Kozlov, and Aleksandr Kondrashov]

[Text] Belgrade August 28 TASS—Russian Foreign Minister Andrey Kozyrev arrived in Belgrade on Sunday evening for talks with Serbian President Slobodan Milosevic on the war in Bosnia.

"The main objective of my trip to Belgrade is to coordinate our efforts to strengthen the stance of those favouring the peace plan for Bosnia moved by the international community", he told TASS upon arriving in the Yugoslav capital.

"We are talking about political support to Serbian President Slobodan Milosevic, Serbia's leadership and parliament who have made a difficult choice in favour of peace", Kozyrev went on to say.

Speaking about the deployment of international monitors on Serbian-led Yugoslavia's border with Bosnia, the Russian diplomat denied it was the main task, in contrast to the opinion of the other members of the "Contact Group".

"We made the difference in accents clear for our Western partners long ago. The issue of observers is a minor task. The main thing now is that the common sense upheld by official Belgrade and Moscow prevail in Serbia, Yugoslavia and among the Bosnian Serb leaders", the Russian minister stressed.

When asked whether he thought it moral that the Serbian Serbs had imposed three weeks ago a blockade on the Bosnian Serbs, Kozyrev said "the moral [as received] of any state and the patriotism of any people are to advocate the right cause".

Milosevic, former patron of his proteges in Bosnia, imposed the blockade against the Bosnian Serbs over

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their rejection of the latest peace plan drawn up by the "Contact Group" of Russia, the United States, Britain, France and Germany.

The Russian minister believes the blockade should not be regarded as confrontation of "Serbs against Serbs". "The point is that the leadership of Yugoslavia, Serbia, first of all President Slobodan Milosevic have made the right decision, by correctly defining the national interests and estimating that the plan of the international "Contact Group" fully meets these interests", Kozyrev stressed.

Noting that taking advantage of the blockade, the Moslem army was stepping up its combat activity, the minister said it was the issue he was going to raise on Monday during the talks with the Moslem leaders. "We should see to it that indignation and dissatisfaction at the fact that the Bosnian Serbs have rejected the "Contact Group" 's plan not lead to any escalation of military actions. This will bring us nowhere", he emphasised.

Kozyrev said both Russia and the United Nations had always "insisted that the side rejecting a peace plan or the side breaking hostilities should be always confronted with an adequate response from the world community, be it the Serbs, Moslems or Croats".

Talks With Milosevic End

LD2908033394 Moscow ITAR-TASS World Service in Russian 0035 GMT 29 Aug 94

[By ITAR-TASS correspondents Ivan Ivanov, Yuriy Kozlov, and Aleksandr Kondrashov]

[Text] Belgrade, 29 Aug—Russian Foreign Minister Andrey Kozyrev voiced support for Belgrade's position in resolving the Bosnia crisis during talks late on Sunday with Serbian President Slobodan Milosevic, ITAR-TASS was told by Galina Sidorova, the minister's political advisor, following the talks' conclusion after midnight.

"No breakthroughs were expected from this meeting, the aim was to synchronize watches. Believing in Belgrade's intention to pursue a truly constructive line towards resolving the Bosnian conflict and to move closer to the world community, Kozyrev arrived in Belgrade to declare Moscow's support for this new position taken by the Yugoslav state, despite a certain divergence of views on this with partners in the international contact group," she said.

According to Sidorova, the meeting was of a "purely working nature" to discuss coordination of efforts by Moscow and Belgrade to get the Bosnian Serbs to agree to the international contact group's plan for a peaceful outcome to the 28-month Bosnian conflict. "Russia sees as its prime goal in assisting Belgrade's efforts aimed at resolving the crisis," Sidorova said. Deployment of international observers along the border between Yugoslavia and the Serb Republic in Bosnia, which has been closed since 4 August, "is not considered by Russia to be the central issue today." "Moscow will use every endeavor to support Belgrade's line toward ending all economic and political contacts with the Bosnian Serbs and closing the border with them with the aim of achieving their consent to the peace plan."

During the talks, she continued, Kozyrev reiterated that Russian diplomacy intends to make it clear to the international contact group that in this entirely new situation "this is not the time for the United Nations to pass a resolution tightening the sanctions against Yugoslavia. "In the circumstances, such a resolution is applicable only against the Bosnian Serbs, Sidorova said, adding that Kozyrev stressed this point in his talks with Milosevic.

Asked if Belgrade could still influence the Bosnian Serbs after deciding to break off all contacts with them, Sidorova said "Russia assumes that Milosevic still has ways of influencing Pale." There are various "ways of exerting an effect," but today one can speak only of "punishment" in the form of a blockade of the border with the Serb Republic, she added.

Did the partial amendment of the contact group's map of Bosnia- Herzegovina to benefit the Serbs arise during the talks? Responding to this question, Sidorova said "there is no sense in changing" maps agreed on by international mediators. "It's another matter for them to be reexamined by the Serbs, Croats, and Muslims in Bosnia itself during the negotiation process after the conflicting sides have accepted the proposed maps as a starting point to agree on a peace plan."

Kozyrev To Meet Izetbegovic

LD2908092394 Moscow ITAR-TASS World Service in Russian 0811 GMT 29 Aug 94

[By ITAR-TASS correspondents Ivan Ivanov, Yuriy Kozlov, and Aleksandr Kondrashov]

[Text] Belgrade, 29 Aug (ITAR-TASS)—Russian Foreign Minister Andrey Kozyrev, who is continuing his working tour of the republics of former Yugoslavia, left Belgrade today for Zagreb. There he is to board an UNPROFOR plane to go to Sarajevo for talks with the leaders of the Muslim-Croat federation.

Before his departure from Belgrade A. Kozyrev told journalists that during the coming talks in Sarajevo he intends to thank the leaders of the Muslim-Croat federation for having the strength of mind to accept the peace plan proposed by the international "Contact Group".

"At the same time I am going to confront Alija Izetbegovic in all frankness with the need for the Muslim army to stop the military activities which have been observed recently and which threaten to severely hamper the prospects for a peaceful settlement in Bosnia," the head of the Russian Foreign Ministry emphasized.

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Lifting of FRY Sanctions To Be Sought in Security Council

LD2708135294 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 27 Aug 94

[From the "Novosti" newscast]

[Text] In the UN Security Council, Russia will try to secure the lifting of sanctions against the FRY if Belgrade maintains its policy of supporting the international plan for a settlement in Bosnia and Herzegovina.

INTERFAX reports that Russian Foreign Minister Andrey Kozyrev is to fly to Belgrade on Sunday.

Moscow Will 'Force' Sanctions End if FRY Holds Position

LD2608172994 Moscow INTERFAX in English 1559 GMT 26 Aug 94

[From the "Diplomatic Panorama" feature by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] If Belgrade sticks to its position with respect to the international plan regarding settlement of the situation in Bosnia- Herzegovina, Russia will force cancelling sanctions against the Union Republic of Yugoslavia, a top-ranking official of the Russian Foreign Ministry declared in his interview with our Interfax correspondent. He underlined that "Moscow lays hopes for successiveness of Belgrade's course."

Interfax interlocutor welcomed Washington's readiness to soften sanctions with respect to Belgrade, if it agrees to deploy international supervisors on the Yugoslavian-Bosnian border to take control over blockade of Bosnian Serbs, about which a high-ranking employee of the US state department announced Thursday.

"Russia is always accused of changing its position. However, not Russia's position by the situation in the former Yugoslavia is changing—the diplomat stressed. Probably, the Americans also understand that it is illogical to toughen sanctions against a country which actually has introduced sanctions against those who have not accepted the plan of the contact group."

In his words, in contrast to Washington Moscow "does not definitely link" deployment of international supervisors with lifting sanctions against Belgrade. He reported that this issue, among a package of other problems, is to be discussed during the visit of Russian Foreign Minister Andrey Kozyrev to Yugoslavia scheduled for August 28.

Interfax interlocutor made it clear that much would depend upon the fact "what the Serbs themselves would say, how they intend to implement blockade of Bosnian Serbs."

According to the diplomat, Kozyrev "would not bring any new proposals to Belgrade." "We pursue our course stating that Yugoslavia's leadership has occupied the right position and we are going to see what assistance we can render to Belgrade in case it sticks to the present course," he noted.

As the diplomat indicated, "he would not like to connect Kozyrev's upcoming trip to Yugoslavia with the referendum on international plan on the conflict's settlement held by the Bosnian Serbs the same time."

"Something occurs there every now and then, he said. Kozyrev's visit has been already scheduled and it is being implemented within the context of the contacts with the Yugoslavian leadership."

Moscow "condemns refusal of the Bosnian Serbs to adopt the peaceful plan, still it does not lose its hope that results of the referendum can force the leadership to revise its position."

When asked against cancelling of what sanctions, international or Belgrade's ones, Kozyrev spoke before his departure from Moscow to Tashkent Thursday, the diplomat declined from any answer. "The minister will voice a statement after his visit to Belgrade and we shall learn everything," the diplomat said.

Commentary on Reasons for UN Lifting FRY Sanctions

LD2608163594 Moscow Radio Moscow World Service in English 1410 GMT 26 Aug 94

[Vladislav Kozyakov commentary]

[Text] Since Yugoslavia has given support to the international peace plan for Bosnia-Herzegovina, there is every reason why the United Nations should lift sanctions against the country, even though some matters still remain outstanding. Our commentary is by Vladislav Kozyakov.

Economic sanctions against Serbia and Montenegro, which currently form the union republic of Yugoslavia, were introduced by the United Nations Security Council in 1992 and 1993 with a view to ending the war in Bosnia-Herzegovina. By now Yugoslavia has contributed to a peace settlement by a refusal to support the Bosnian Serbs who rejected the peace plan suggested by the Contact Group. The border between Serbia and Bosnia is practically closed. News agencies report that Serb border guards stop all transport heading to Bosnia. The Russian Foreign Minister Andrey Kozyrev said Belgrade changed it's position in the right direction by giving support to the peace plan that was in keeping with the interests of the Bosnian Serbs. He stressed that the move should be encouraged by an immediate lifting of all, or at least some of the sanctions against Yugoslavia.

True, one issue remains outstanding. The United States and Western European countries insist that international observers should be deployed on the border between Serbia and Bosnia. Yet, Belgrade disagrees with the

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suggestion. The issue will be discussed on Sunday when Russian Foreign Minister Kozyrev comes to Belgrade in the hope of finding a compromise. Moscow assumes that UN sanctions against Yugoslavia will be eased or lifted shortly. It is getting ready to resume economic cooperation with that country as soon as the sanctions are lifted. This week, Russian and Serbian officials have signed in Moscow an agreement on bilateral economic relations and an agreement to set up a joint trade commission. These two agreements will allow Russia to be one of the first countries that returned to the Yugoslav market. This means that Russian exporters will no longer sustain losses of $1 billion a year because of the UN introduced sanctions.

Earlier this month agreements with Baghdad were signed that will allow Iraq to become Russia's major trade partner in the Arab world once again. This could happen shortly. Since Iraq has fulfilled its commitments to the United Nations on control of weapons, some other countries also try to resume trade with Baghdad—say China and France. Diplomats contributing to a solution of military and political crises in the world can do a lot to promote an expansion of international trade and consequently the well-being of nations. This is of a special importance for Russia since the country is going through a difficult time of reforming the national economy.

Georgian Refugee Talks Hindered by 'Political Issue'

LD2708210994 Moscow ITAR-TASS in English 2034 GMT 27 Aug 94

[By ITAR-TASS correspondent Irina Shchegoleva]

[Text] Sochi August 28 TASS—A two-day meeting of the quadripartite commission for return of refugees and displaced persons to Abkhazia has not been a success.

"All possible compromises suggested by the Russian delegation and the mission of the office of the U.N. High Commissioner for Refugees were not accepted by the Georgian and Abkhazian sides, and we postponed the meeting till September 6," head of the Russian delegation Nikolay Chulkov told correspondents.

The meeting discussed an information bulletin to tell the refugees about the planned procedure of registration and return. The documents in which refugees wishing to return home shall voice their readiness to observe Abkhazian laws provoked essential differences. The Abkhazian sides insists on these documents, and the Georgian side thinks that "the expression of loyalty to the Abkhazian authorities" should be an obligatory condition and an obstacle on the way of refugees' return to the republic.

"We are in a deadend, any compromise in this issue is out of the question," head of the Abkhazian delegation, First Deputy Abkhazian Premier Leonid Lakerbaya told ITAR-TASS. "The commission meetings always stress that the return of refugees is a humanitarian problem. We are trying to ignore the fact it is rather a political issue than humanitarian. Political problems are not the competence of this commission," he added.

If the Geneva negotiations manage to take corresponding political decisions, the commission will work more efficiently, believes the Abkhazian delegation.

Shakhray Assesses Abkhaz Treaties, Caucasus

LD2608134594 Moscow Russian Television Network in Russian 1200 GMT 26 Aug 94

[From the "Vesti" newscast]

[Text] The lesson learned by the federal authorities should not go unnoticed—this was how Sergey Shakhray, a deputy prime minister in the Russian Government, assessed Abkhazia's bilateral treaties with Tatarstan and Bashkortostan. At a news conference in Moscow, he described them as having no legal force, and so Russia cannot be a guarantor of their observance.

The summer holiday season is drawing to a close and Russia is entering another political autumn. In the view of Sergey Shakhray, if the Duma, president, government, and regions come to agreement, we shall be able to pass all the reefs safely. The deputy prime minister also dwelt on the situation in North Caucasus.

[Begin Shakhray recording] Imagine the following situation: In the United States, in the state of Utah, a retired general declares its independence, releases prisoners, seizes military depots. President Clinton enters negotiations with him to conclude some sort of agreement or something. I believe the reaction there would be quite clear and unambiguous, and it would be supported by the democratic press, in Russia in particular. In our country, things happen the opposite way, even though it's not clear why. [end recording]

Sergey Shakhray reminded the audience that the Russian president's formula with regard to Chechnya is simple: To hold free democratic elections and to conclude a treaty on delimitation of powers. The situation is explosive, but Russia continues to pursue a policy of noninterference.

Speaking about Khasbulatov's high profile, Shakhray noted that if the Chechen people backs the former Russian speaker, the federal center will be obliged to cooperate with him, even though psychologically it will not be an easy thing for the Russian leadership. Most probably, the deputy prime minister forecast, a government of the united opposition will be formed. Bearing in mind difficulties in negotiations, Khasbulatov himself may well refrain from becoming a member of this government.

Soskovets To Discuss Restoration of Cuban Trade Ties

LD2608172894 Moscow INTERFAX in English 1644 GMT 26 Aug 94

[Text] The restoration of Russian-Cuban trade and economic ties and the consolidation of Russia's position on

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the Cuban market will top the agenda of talks Russian First Deputy Prime Minister Oleg Soskovets will hold in Cuba in the autumn, a government source told Interfax.

Nikolay Vlasov, an official at the Foreign Economic Ties Ministry, said that bilateral trade is increasing after a sharp decline. The Russian-Cuban commodity turnover increased by $60 million in 1993 and totaled $711 million. But this is a far cry from the annual $7 to $8 billion of Cuban-Soviet trade.

Vlasov said that Russia was likely to lose its former position on the Cuban market of machinery and equipment. He attributed this to miscalculations in the crediting and investment policy. In particular, the Finance Ministry has not made available a $350 million credit, agreed on by the two governments in July 1993, for 12 large construction sites in Cuba. As a result, Russia stands to lose the Cuban market of engineering equipment which could serve in the long run as an entry point onto the Latin American market.

In Vlasov's view, Russia has to continue purchases of raw sugar in Cuba and even step them up in order to keep the Russian sugar refineries operational throughout the year. Cuba is prepared to supply sugar directly and when the Russian refineries most need it and to be paid in Russian goods such as oil, spares and rubber equipment.

The Russian sugar industry now needs one to 1.5 million tonnes of imported raw sugar and could have this amount from Cuba.

Paper Views Likely Effects of U.S. Cuba Policy

MM2608143094 Moscow IZVESTIYA in Russian 27 Aug 94 p 3

[Report by Vladimir Nadein: "Rumors That Clinton Loves Cubans Are Greatly Exaggerated"]

[Text] Washington—Fidel Castro cannot abide Americans, although those rumors may be exaggerated. Bill Clinton lost the governorship of his native Arkansas 14 years ago solely because of Cubans. For that reason, the rumors that he is very fond of Cubans and is currently refusing them entry to America solely as a result of prevailing political circumstances are also overblown.

When in 1980 the wave of refugees released by Castro reached the Florida coast, the then U.S. President Jimmy Carter appealed to all governors to help the federal government find a refuge for the several tens of thousands of people who had managed to slip through the narrow crack that had briefly opened up for the citizens of the Island of Freedom.

Bill Clinton, a Democratic governor, was one of the first to respond to his party leader's call. This cost the young Arkansas politician dear. There were many hardened criminals among the Cuban refugees. They had been deliberately included by Fidel Castro in the ranks of of those seeking asylum in the United States.

These individuals with special tattoos between their index and second figures, these killers and professional thieves, did not enjoy their cheerless American freedom for long. A month later, in June, they rioted, throwing rocks at the police, ripping down the gates of their camp, and engaging in a firefight with local Ku Klux Klan members who tried to drive them back inside.

The Republican Frank White, Clinton's rival in the race for the governorship, turned people's fury and irritation against Bill Clinton as the man who brought about the arrival of the rioting communist foreigners in peaceful Arkansas—and the young politician's goose was cooked.

This sad experience of helping the Cubans has not been forgotten. At any rate, there is not the slightest hint that the White House will review its refusal to allow Cuban refugees into the United States.

But where are they to be put? Despite the increase in propaganda radio broadcasting to Cuba, reporting over and over that the automatic right of asylum has come to an end, almost 2,500 people are fleeing the island every day. They are all being sent to the U.S. Guantanamo base at the eastern tip of the island, where 2,000 Cubans have already joined 15,000 Haitian refugees.

But Defense Secretary William Perry has said that the Pentagon is prepared to double the space allocated to arriving Cubans, while Attorney General Janet Reno has left no doubt that they will all be refused entry to the mainland and that nobody should hold out any hope of bypassing legal procedure to make it into the United States.

This procedure consists of applying to the consulate at your place of residence, giving the reason for your intention to emigrate to the United States, and waiting for a positive reply.

Meanwhile, U.S. diplomatic representatives are conducting hasty talks with Central American governments to seek suitable areas for refugee camps outside the United States. Two islands in Bermuda, Suriname, and Panama—whose recently elected president has promised the White House his full cooperation—are being mentioned as likely sites for the creation of these refuges.

On the eve of the upcoming top-level meeting of countries of the Western Hemisphere, which, to all appearances, will take place in Miami at the end of the year, it will not be hard for Washington to secure the cooperation of several Central American states.

Meanwhile, Fidel Castro has launched a broad propaganda offensive, calling Clinton a man who hates and despises all Cubans. This attack can hardly be successful, since it is known on the island that Cuban emigres in the United States have actively supported the President's measures.

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Far more serious is Castro's threat to call off his troops and open up access to the base at Guantanamo for all who wish it. This could result in innumerable crowds instantly blocking the whole territory of the military institution.

U.S. Defense Secretary Perry warned Havana at a recent news conference that Washington would regard such a step as extremely unfriendly. Analysts admit, however, that the future of the Castro regime is so gloomy that this threat might have no effect.

The crowded Cuban refugee camps open up the possibility of creating an army of anti-Castro gunmen. Although Washington does not rule out the possibility of a military solution, the idea of a direct military clash with the second largest and strongest armed force in the Western Hemisphere is less than pleasant to the Americans.

But the fall of the Castro regime, which people here call the last relic of the Cold War, would make Bill Clinton's reign memorable.

Foreign Ministry on DPRK Leaflet Issue

LD2608140194 Moscow ITAR-TASS in English 1342 GMT 26 Aug 94

[By ITAR-TASS diplomatic correspondent Vladimir Solntsev]

[Text] Moscow August 26 TASS—The Russian Foreign Ministry expressed disbelief in a mysterious case with leaflets calling for the overthrow of Kim Chong-il that were allegedly circulated recently in a closely-guarded quarter for foreign citizens in Pyongyang. The Ministry regards this an invention, a high official of the Russian Foreign Ministry told ITAR-TASS on Friday. "We have had no confirmation of such reports. Quite the contrary, they have been disproved," he said. The Russian diplomat does not rule out that rumours about the leaflets may have been spread to whip up confrontation and destabilise the situation in North Korea.

The official questioned assertions in Western media that a certain German diplomat had confirmed the existence of the leaflets. He pointed out that Germany has no diplomatic relations with North Korea and for this reason there are no German diplomats in Pyongyang.

A report about leaflets urging the overthrow of Kim Chong-il, the son of and official heir to North Korean President Kim Il-sung who died on July 8 was run by the South Korean news agency YONHAP last Tuesday with a reference to diplomatic sources. The report said the leaflets were circulated in large numbers in Pyongyang on the night from August 19 to August 20. ITAR-TASS correspondent in Pyongyang did not see these leaflets, even though the ITAR-TASS bureau is situated in the quarter where the leaflets were allegedly circulated. The existence of the leaflets has not been confirmed by any of foreign representatives interviewed by ITAR-TASS in the North Korean capital.

Meanwhile the North Korean media describe Kim Chong-il as "the supreme leader of the Party, State and Army of Korea". "The time- proven guidance of comrade Kim Chong-il is an earnest of continuation from one generation to another and victorious carrying through of the revolutionary cause to which comrade Kim Il-sung set the beginning", the newspaper MINJU CHOSEN writes on Friday.

Presidential Envoy Meets, Confers With Israeli Premier

LD2608131194 Moscow Radio Rossii Network in Russian 1100 GMT 26 Aug 94

[Text] Israel's Prime Minister Yitzhaq Rabin today received Viktor Posuvalyuk, special representative of the Russian president dealing with the Middle East settlement, who is visiting a number of the region's countries.

On the previous day, Posuvalyuk had a meeting in the Gaza sector with Yasir 'Arafat, head of the Palestinian administration.

During his conversation with the Israeli prime minister, the Russian diplomat stressed that in the present situation the development of events between Israel and Syria would be of decisive importance toward a settlement in the region. It was stressed that Russia is directing its efforts toward activating precisely this sector of the negotiating process.

In his turn, Rabin expressed the hope that traditional friendly links between Russia and the Arab countries, including Syria, could play a positive role and help to remove obstacles in the way of a reconciliation with Israel.

Kozyrev Sums Up Tashkent Talks on Tajikistan

LD2608143794 Moscow Ostankino Television First Channel Network in Russian 1200 GMT 26 Aug 94

[From the "Novosti" newscast]

[Text] Today questions pertaining to an intra-Tajik settlement are being discussed in Tashkent at a trilateral meeting between Russia, Uzbekistan, and Tajikistan.

[Shakhnoza Ganiyeva] Today in Tashkent, here, in the town residence, Russo-Tajik talks were held behind closed doors. To attend them, a representative delegation from Tajikistan, led by Supreme Council Chairman Emomali Rakhmonov, arrived in Tashkent in the morning.

Summing up the lengthy, four-hour, and evidently tense talks, Russian Foreign Minister Andrey Kozyrev said:

[Begin Kozyrev recording] The main result of the talks is that we are acting from positions held jointly with the leadership of Tajikistan, Uzbekistan, and Russia to stabilize the situation in Tajikistan.

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You know that the situation is very complicated. We are against competing in terms of military efforts. We resort to military measures only in retaliation, only in retaliation. But that is not our choice, although, of course, we shall stick up for Tajikistan and the CIS.

But our choice is to ensure the democratic process and the establishment and strengthening of the Tajik state, and to support the leadership of Tajikistan. But the decisions, the adoption of these measures—that, of course, is a matter for our Tajik friends. [end recording]

General Updates Tajik-Afghan Border Situation

LD2708155394 Moscow ITAR-TASS World Service in Russian 0745 GMT 27 Aug 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 27 Aug—Last night passed relatively calmly at all border posts on the Tajik-Afghan border. Over the past 24 hours no armed provocations were registered against Russian border troops. The ITAR-TASS correspondent was informd of this this morning by Major General Aleksandr Savchenko, deputy commander of the group of Russian border troops in Tajikistan.

However, speaking of the overall situation on the Tajik-Afghan border, the Russian general described it as tense and did not rule out the possibility of new armed provocations. Therefore, the command of the group of Russian border troops in Tajikistan is undertaking additional effective measures to strengthen the most tense sections of the border, primarily in the Shuroabad area, the zone for which the Moskovskiy border unit is responsible.

The deputy commander recalled that it was precisely in this area that on 17 and 18 August dramatic events had occurred connected with the intensive rocket shelling of the 12th frontier post by formations of the Tajik opposition, which had broken through into Tajikistan's border area from the territory of Afghanistan and which led to the deaths of 10 Russian servicemen.

At the present time, the general said, thanks to joint efforts by the border troops and units of the Tajik Security Ministry, in the course of a military operation the opposition has been forced over to the opposite bank of the river Pyandzh and all attempts at new crossings have been prevented by heavy shelling.

Aleksandr Savchenko described the situation in the Pamirs area as complicated but under control; effective measures have been taken there recently. Border posts here have received reinforcements both in personnel and combat equipment.

Chernomyrdin Meets With Kazakh Counterpart

LD2808141194 Moscow Mayak Radio Network in Russian 1210 GMT 28 Aug 94

[Report by Pavel Rykov]

[Excerpts] Last night Viktor Chernomyrdin flew to Uralsk, the center of the West Kazakhstan oblast, and today a meeting between Prime Ministers Chernomyrdin of Russia and Sergey Tereshchenko of Kazakhstan took place there. I must say that all those who awaited the results of the meeting at Uralsk Airport - and there were quite a few people, first and foremost oil and gas workers—hoped that an agreement would be signed, setting out the guidelines for a joint development of Karachaganak gas condensate deposit and Tengiz oil deposit, as well as for an interaction between Russia and Kazakhstan on the harvesting of bread grain in the northern oblasts of the Republic of Kazakhstan. However, the expected agreement was not signed.

The talks came up against certain problems that did not lend themselves to simple solutions. Here is one of them. The Karachaganak deposit of sulphur-containing gases was discovered and made workable thanks to, and in fact, through the sole effort of the staff of the Orenburggazprom joint-stock company and with money from Gazprom, which was still a USSR concern at the time. However, on becoming a sovereign state, Kazakhstan declared as its property those deposits which were ready to go into operation. As a result, specialist workers have left; of the 250 boreholes ready for work, only seven are in use. [passage omitted]

The question arose at the talks of who is to pay to bring these 250, or just under 250, boreholes back into operation. The Tengiz deposit and agriculture were no easier to deal with.

Sergey Tereshchenko told journalists that the main result of the two prime ministers' meeting was the possibility of further talks, and asked the press not to overdramatize the situation. However, it is a fact that the prime ministers have parted without signing the expected agreements and the people living near Karachaganak are waiting for the 233 idling gas boreholes full of ultra-aggressive gas to start causing them trouble.

Such is the news from Orenburg and Uralsk.

Oil Cooperation Topic of Discussion

LD2808210394 Moscow ITAR-TASS in English 2022 GMT 28 Aug 94

[By ITAR-TASS correspondent Gennadiy Lunev]

[Text] Uralsk (Kazakhstan) August 29 TASS—Russian Prime Minister Viktor Chernomyrdin and his Kazakh counterpart Sergey Tereshchenko met behind closed doors in the regional centre of Uralsk, western Kazakhstan, on Sunday.

According to well-informed sources, the meeting was focused on the development of the Karachaganak oil field located in this region.

Although no documents were signed, the two sides reached understanding that Kazakhstan and Russia would by all means cooperate in developing this oil field, Tereshchenko said.

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In an interview with local newsmen, Russian Fuel Minister Yuriy Shafranik stressed that all the meetings held over the past two years had been most often just exchanges of opinion. But now time has come to proceed to concrete actions. Only in cooperation can Kazakhstan and Russia determine new approaches to the development of one of the richest oil fields.

After the meeting, the Russian prime minister flew off to Moscow.

Yegor Gaydar Arrives in Finland

LD2808155094 Moscow ITAR-TASS in English 1508 GMT 28 Aug 94

[By ITAR-TASS correspondent Vladimir Mostovets]

[Text] Helsinki August 28 TASS—Chairman of the Democratic Choice of Russia party Yegor Gaydar arrived here on Sunday on the private invitation of Finnish Prime Minister Esko Aho to meet Finnish economists and businessmen. Gaydar is expected to be received by President Martti Ahtisaari.

Yegor Gaydar is also planned to hold talks with members and leaders of the National Coalition Party of Finland to establish permanent inter-party contacts between the National Coalition Party and the Democratic Choice of Russia party. The National Coalition Party is one of the three parties of the Finnish coalition government and expresses interests of conservative-minded politicians and economists.

Mulatov Commentary Views New Relationship With PRC

OW2808210294 Moscow Radio Moscow in Mandarin 1000 GMT 25 Aug 94

[Mulatov commentary: "The Constructive Partnership Relationship Between Russia and China"; from the "Half an Hour With Wang Xiao" program]

[Text] Chinese President Jiang Zemin will visit Russia 2-6 September. This will be an important international event. Will the two neighboring countries—Russia and China—again establish a military alliance? This issue has been directly or indirectly discussed in some foreign media. The following is a short commentary on this by Mulatov, a commentator of this station:

[Begin Mulatov recording] Moscow and Beijing do not have any plans to establish any kind of alliance. What they want to establish is a completely different kind of bilateral relationship—an equal and constructive partnership relationship in bilateral and international affairs. This issue was discussed at a news briefing held on Tuesday by Belyy, director of the Russian Foreign Ministry First Asia Department. The news briefing was held for President Jiang Zemin's upcoming visit to Russia. Belyy told Russian and foreign reporters: We think that the Chinese leader's upcoming visit to Moscow will strengthen the new [words indistinct] of the Russian-Chinese relationship aimed at the 21st century.

Belyy also emphatically pointed out: The constructive partnership relationship between Russia and China in bilateral and international affairs will be truly established on an equal and mutually beneficial basis. The two countries will not oppose any third country. Therefore, the current close Russian-Chinese relations will not develop into an alliance. They primarily set their eyes on establishing a new partnership relationship, especially on establishing cooperation in the economic field and a high degree of mutual trust, political and military. The new partnership between the two countries will be detailed in a joint declaration that will be approved by the upcoming summit. One thing that most expressly indicates the high degree of political and military trust between the two countries is a bilateral missile [words indistinct] targeting agreement that is now being drafted. Russia has signed such an agreement with the United States and Britain.

Of course, establishing a new partnership relationship between Russia and China does not mean that there are no longer any major problems between the two. As a matter of fact, problems in the economic field and other fields still exist. One of the problems is that Chinese citizens wishing to live in Russia have entered Russia's Far East region in large numbers. This problem once created tensions between the two countries. However, Russia has not closed its borders with China. Early this year, the two countries signed an agreement on canceling the mutual exemption of ordinary passports and visas, thus limiting free border crossing to those holding a diplomatic passport or passport for official business.

According to Russian Foreign Ministry information, tensions caused by problems concerning the influx of Chinese citizens have greatly relaxed. Russia and China are rising to a new level of building a constructive and cooperative partnership. The upcoming Russian-Chinese summit undoubtedly will provide a powerful force for the development of the partnership between the two countries. [end Mulatov recording]

Academic Comments on Ukrainian Ministerial Reshuffle

LD2608103694 Moscow ITAR-TASS in English 1032 GMT 26 Aug 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow August 26 TASS—The dismissal of Ukrainian Foreign Minister Anatoliy Zlenko which became known on Thursday set the beginning to replacements of leading Ukrainian officials who banked on confrontation between Russia and Ukraine. This opinion was expressed in an interview with ITAR-TASS by Sergey Karaganov, deputy director of Europe Institute of the Russian Academy of Sciences and member of

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the Presidential Council. His opinion has been confirmed by the appointment of Valeriy Shmarov as Ukrainian acting defence minister on Friday.

Karaganov believes the recent confrontational tone of Ukrainian diplomats has not brought any dividends to independent Ukraine. Confrontational policies have neither helped consolidate Ukrainian statehood nor advance reforms. They caused disappointment and annoyance in the West. At the same time, Karaganov noted that the appointment of career diplomat Hennadiy Udovenko as Ukrainian acting foreign minister "does not mean that the Ukrainian Foreign Ministry will from now on be oriented at Russia". "Having realised the failure of the former political concept, Ukrainian high officials will be basing their policy on compromises in order to remain in power", he said.

Ministry Protests U.S. Visa Practices

MM2608135794 Moscow ROSSIYSKIYE VESTI in Russian 26 Aug 94 p 2

[Report by Pavel Vasilyev: "The U.S. Consulate Is Not Sinless Either"]

[Text] Russians travel the world. They even go to the United States. The result is that the strain on the consular sections of the embassies in Washington and Moscow has increased many times over and frequent hiccups have appeared in visa matters—something to which everyone is already resigned. There is, however, a limit to this patience.

We were told at the Russian Federation Ministry of Foreign Affairs that there have recently been instances where demands have been put to official Russian representatives, even to those who hold a diplomatic passport and whose visa questions were accompanied by verbal notes from the Foreign Ministry, that they be interviewed at the U.S. Embassy and even submit "weighty evidence" that they have no intention of remaining in the United States in order to take up permanent residence. In this connection the Russian Foreign Ministry has pointed to the inadmissibility of such instances. "The present visa practice does not conform with the new nature of Russian-U.S. relations. It is in need of serious and, evidently, mutual modernization," the high-ranking diplomat who reported this information concluded.

Official Defends Joint-U.S. Military Exercises

LD2808101594 Moscow ITAR-TASS in English 0912 GMT 28 Aug 94

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow August 28 TASS—The Russian-American military exercise at the Totsk training ground is creating no danger whatsoever, Aleksandr Piskunov, deputy chairman of the State Duma Committee on Defence and an influential person in the military circles, said in an ITAR-TASS interview. "This purely staff exercise without the use of military hardware will not inflict any damage on Russia, including from the ecological point of view," he said.

So far as the political aspect of the Russian-American staff exercise is concerned, Piskunov believes it will consolidate contacts between the two great powers in the efforts, aimed at rendering peace-keeping assistance to third countries. "It is quite possible that, in case of acute crisis situations in various parts of the world, Russian and American peace-keeping forces will actively cooperate. The experience they will gain during the military exercise at the Totsk training ground will be most valuable for them," Piskunov said. This is why "in conditions of international instability the mastering of cooperation between peace-keeping forces is a topical task and a necessary measure," he stressed.

Speaking about the varied response to the military exercise plans in the Orenburg region, he pointed out that it was brought about by the internal political situation in Russia, and by it alone. "Once again the problem of security of Russian officers and men was used as an instrument in the struggle between various political forces," Piskunov said.

Responding to the question why it is Russia and not the United State that was chosen as the place to hold the military exercise, he said that "material consideratons played the key role in this situation." From the economic point of view, it is more profitable for Russia first to hold the exercise on its own territory and after that—across the ocean, Piskunov explained.

Spending Cuts Impact on U.S. Defense Programs

MM2608131994 Moscow IZVESTIYA in Russian 26 Aug 94 p 3

[Report by Vladimir Nadein: "Pentagon Cutting Branch on Which Generals Were Hoping to Sit in Future"]

[Text] Washington—The U.S. Defense Department has warned the chiefs of the three branches of the armed forces that they will have to forgo the costliest arms upgrade programs. Or at least that they will have to postpone production of those arms for between four and seven years. The generals will not see the new models of fighters, helicopter gunships, the latest generation of field artillery, and a number of other types of the latest weapons in the near future.

It is not only Russia which is short of money for the army but the United States as well. U.S. Defense Secretary William Perry, it is reported, considers it sensible to economize on weapons but not on military pay.

The Pentagon accountants' searches came up with some unpleasant results: The military department will be short approximately $150 billion over the next five years.

Meanwhile the armed forces are increasingly often having to spend their budget on humanitarian protection

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actions, such as those connected with the Cuban refugees or the victims of the carnage in Rwanda.

That is why the leadership of the ground forces have been ordered to "think of alternatives" which would make it possible to suspend the program for the development of the new generation of "Commanche" helicopter gunships and of field artillery incorporating all the latest achievements of computer technology and electronics.

The air forces will have to forget their dreams of the new F22 fighter for at least four years. An Air Force spokesman called this a "blow to military aviation," although he admitted that the present F15 will remain the best plane in its class for a number of years to come. Industrialists from the Lockheed company will undoubtedly find this probable curtailment of the program harder to bear than the military. Lockheed has expressed a timid optimism: It cannot be ruled out, they say, that the airmen will make the government think again.

In the Mavy the reductions will affect the production of Arleigh Burke class destroyers and attack submarines as well as the V-22 Osprey, a new tilt-rotor attack plane.

Representatives of the shipyard belonging to General Dynamics said that a one-year postponement in the production of submarines is still bearable but anything longer than that will be simply intolerable. The owners of two other shipbuilding complexes, in Maine and Missouri, have stated that they do not intend to wait for the government to reconsider but will immediately switch to the production of other output.

Indian Minister To Discuss Scientists' 'Exodus'

BK2908035094 Delhi All India Radio Network in English 0245 GMT 29 Aug 94

[Text] The home minister, Mr. S.B. Chavan, is in Moscow on a six-day official visit to Russia. The visit is aimed at strengthening bilateral relations and also at discussing steps to check drug smuggling and international terrorism. Mr. Chavan is scheduled to hold talks with the Russian leaders on signing of a bilateral extradition treaty. This is in connection with the terrorist and narcotics mafia reportedly using Moscow for smuggling, which came into light recently in Germany. The home minister will also be discussing the exodus of Russian nuclear scientists to Pakistan.

Mr. S.B. Chavan's visit to Russia has come close on the heels of Bonn and Moscow calling for international joint initiative to prevent smuggling of weapon grade material. The two countries signed an agreement recently after nuclear material was reported missing from Russia.

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Political Issues

Shakhray Says Government To Stay Despite Opposition

LD2608150294 Moscow INTERFAX in English 1341 GMT 26 Aug 94

[Text] Russian Vice Prime Minister Sergey Shakhray is convinced that the government will remain despite the demands for its resignation the opposition has put forward and which will be heard more and more often as autumn approaches, he told a news conference in Moscow Friday.

"I do not see any other way to sack the government except by presidential orders," Shakhray pointed out.

In his opinion, there is a chance now to politically and economically surmount the hardly simple situation. This he says will heavily depend on the efficiency of the Civic Accord Pact.

As the leader of the Party for Russian Unity and Concord (PRUC), Shakhray said the party's regional branches "consider its work in the government not sufficiently effective." Following their request, the PRUC presidium will discuss the issue next week to work out the party's agenda of activities in the government and the State Duma for this autumn.

Shakhray virtually evaded answering an Interfax question about his personal attitude to Yegor Gaydar's proposal. (Gaydar, the leader of the Democratic Russia's Choice party, proposed all democratic forces nominate a single candidate—Boris Yeltsin—to run in future presidential elections—IF note). Shakhray only said the PRUC would take part in consultations on the issue, and the party presidium would also determine its position to this proposal.

Commenting on the possibility of holding a congress of democratic forces, Shakhray pointed out that "the PRUC will support the idea if it is not organized with administrative methods."

Yavlinskiy Denies Rumors, Views Prospects

MK2608110394 Moscow OBSHCHAYA GAZETA in Russian No.34/59 26 Aug-1 Sep 94 (Signed to press 25 Aug 94) p 8

[Interview with Grigoriy Yavlinskiy by Aleksandr Protsenko under the "Checking Up on the Rumors" rubric: "Yavlinskiy Did Not Say Yes"—place and date not given]

[Text] The Moscow papers carried the story: Grigoriy Yavlinskiy has agreed to join the Russian Government. This information was allegedly leaked from the Russian Federation president's administration.

[Protsenko] Grigoriy Alekseyevich, what can you say about this?

[Yavlinskiy] I can only answer officially: I do not see such a possibility—becoming a member of the government—at this time.

[Protsenko] How is this to be understood? Did they make you an offer or not?

[Yavlinskiy] At the moment I am simply not considering, not analysing, not studying this issue. Such an issue does not exist for me now.

[Protsenko] O.K., I'll put it a different way: Under what circumstances and in what capacity would you agree to become a member of the cabinet?

[Yavlinskiy] I have a definite program which I consider correct and necessary. If circumstances which would allow me to execute this program came together, then it would be possible to discuss the matter. But this presupposes some very serious obligations for the power structures.

[Protsenko] And such preconditions do not yet exist?

[Yavlinskiy] We have a government and it is working according to its own program. Let it work.

[Protsenko] But then what will Yavlinskiy's participation be in current Russian politics? Today everyone is discussing political stability in the country and even economic stabilization. In such calm circumstances how does one remain an active figure?

[Yavlinskiy] In the first place, I am still an economist. I have already stated my views on what sort of economic policy is necessary. Soon the Duma will resume working and there is a large package of legislative acts which my colleagues and I intend to get passed. These are the short term and medium term plans, if you consider my work as a deputy. Beyond this, I am continuing my economic work, including in a number of regions. For example, in Nizhniy Novgorod, partly in Moscow.

[Protsenko] But Sergey Shakhray has said that in Russia, a person who leaves the power structures ultimately "falls out" of politics. In order to remain in politics it is necessary to remain in one of the power structures or another.

[Yavlinskiy] I have another opinion. In a civil society, having a job in the government is not a necessary condition for being engaged in politics.

[Protsenko] Do you think that we have reached the stage of a civil society?

[Yavlinskiy] Our main task is to make sure that we have it.

[Protsenko] Conversations are making the rounds about your active participation in the Gorbachev "Democratic Alternative" program. You allegedly at the minimum are a partner of Gorbachev and are preapring, with him, to create this "Democratic Alternative."

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[Yavlinskiy] That does not correspond to reality.

[Protsenko] To what degree?

[Yavlinskiy] Completely.

[Protsenko] Meaning that you are not participating in any way in "Democratic Alternative?"

[Yavlinskiy] If you have in mind "Democratic Alternative" as a specific organization of that name, then I am not participating.

[Protsenko] Did you have any discussions with Gorbachev on this matter?

[Yavlinskiy] No.

[Protsenko] And the rumors about you joining Lukashenka's team to work on the economic transformation of Belorussia [Belarus] are also only rumors?

[Yavlinskiy] I have not discussed the matter with Lukashenka.

[Protsenko] While the deputies have been away on vacation, President Yeltsin has issued a large number of economic edicts. How do you evaluate them? Will your faction support them or attempt in some way to disavow them?

[Yavlinskiy] In these documents there is a whole series of positions which are correct from my perspective. But on the whole, the edicts are not an integrated system. Moreover, there is no mechanism for their realization. As long as the president continues to rely on uncoordinated measures, it will be difficult to expect a substantial effect. But as for the edicts themselves, I have few complaints. Many positions contained in them were expressed much earlier and it is a good thing that they made it into these edicts.

[Protsenko] One final question. Today every serious politician either has or, at the very least, is organizing his own party. But Yavlinskiy is for the time being merely a leader of the Duma faction, Yabloko. When will the party of Yavlinskiy appear?

[Yavlinskiy] I believe that in Russia today parties or political movements should be built from the bottom up. This is rather long-term and detailed work which we have been conducting for some time. We can already speak about 25 strongholds which we have, but the process of building the party is itself quite democratic, and not quite as quick as I would like. However I hope that by the end of this year or the beginning of next year it will be possible to speak of some sort of political movement....

Deputy Yakunin Accuses Church of KGB Ties

AU2608143694 Munich SUEDDEUTSCHE ZEITUNG in German 24 Aug 94 p 9

[Interview with Russian deputy and priest Gleb Yakunin by Barbara von Ow; place and date not given: "The Orthodox Church Has a Totalitarian Structure"]

[Text] [Von Ow] From your window you are looking at the building of the Lubyanka, where you searched the KGB's church files after the putsch in 1991. Have your revelations had any consequences so far?

[Yakunin] Since the committee report about the reasons for the putsch, which was published in 1992, the archives have been closed again. The committee clearly proved that the church hierarchy is a 100-percent branch office of the KGB. But the church leadership has ignored and kept silent about the matter so far. The church has established its own committee, which has examined the issue for two years, but it is doing nothing. It was established only to throw sand into the people's eyes. Apart from Archbishop Chrystostomus of Lithuania, no member of the hierarchy has admitted having been an agent. However, I believe that there cannot be a new beginning without repentance and atonement—above all no internal reforms.

[Von Ow] On important holidays, Patriarch Aleksiy has repeatedly appeared together with President Yeltsin. But does the church leadership still support the reformers nowadays?

[Yakunin] Since the upheaval, the Moscow Patriarchy has received innumerable privileges. It has received back hundreds of churches and dozens of monasteries, it has been exempted from taxes. Above all, however, in 1990 it received an excellent religious law, of which it could only have dreamed in the past. Nevertheless, the church is supporting the reactionary forces. The old structures are interlaced too strongly. Today's church statutes are a copy of the internal KGB service; the Orthodox Church has a totalitarian structure.

[Von Ow] Where can it find the strength for internal renewal?

[Yakunin] The legacy of totalitarianism is still a heavy one. There are the old privileges: In the past, the Episcopate received money from the cash of the Council for Religious Issues, was supplied via the Kremlin's special shops, and had access to the state's recreation homes. It was a firm part of the nomenklatura. Of course, they now hate the new democratic system. They want to keep their benefits. Therefore, they support everyone who promises them something—communists, peasants' party, fascists, no matter whom. This was particularly obvious during the parliamentary coup in October, when priests blessed the rebels in the White House.

[Von Ow] What are the common points between the church and right-wing extremist parties?

[Yakunin] The nationalist groups are naturally closest to the church in the red-brown spectrum. These groups are not interested in the rebirth of the church as a spiritual institution, but in the decorative accessories, which they want to exploit for their purposes. On the part of the church, Metropolitan Ioann of St. Petersburg is openly propagating an anti-Semitic program in the newspapers

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SAVTRA and SOVYETSKAYA ROSSIYA. The Association of Orthodox Orders, which is under the patriarch's patronage, also supports the anti-democratic opposition in the country. Neither the patriarch nor the Holy Synod have condemned them for that. I see a clear role-playing game, in which Ioann has taken over the role of the church's ideologist.

[Von Ow] Does anti-Semitism in the Orthodox Church not have a fateful tradition dating back to the years of the pogroms before the revolution?

[Yakunin] Yes, there have always been anti-Semitic forces. But there have always been leading church figures who condemned anti-Semitism. Even an ultraconservative like Johann von Kronstadt, who was an honorary member of the "Black Hundreds," harshly condemned the pogroms. Only in the postcommunist church that we have today is there no public condemnation of the anti-Semitic baiting anymore.

[Von Ow] Are today's development not deeply rooted in history?

[Yakunin] Is there anyone who still knows Russia's church history? In the 1930's there was a schism in the church. All priests who were not willing to come to an agreement with the Bolsheviks were destroyed. Only in 1943, when Stalin needed the church, was a new church created from nothing by decree. But this church was just an artificial corset, a cover for the activities of the KGB, not a living church that lived out of itself. Today, when there is freedom of religion and a market economy, it turns out that this church is not viable. It cannot compete with the other religious groups. Therefore, it continues to cling to the state and demands that its old monopoly be returned. In working out the constitution, Yuriy Kalinin, the patriarch's legal representative, tried to actively prevent the article that says that all religions are equal before the law. Thus, the church continues to dream of a "symphony" with the state instead of becoming independent and renewing itself from the inside.

[Von Ow] The church's close ties with the state date back to Byzantine times. How should it now learn "to become independent"?

[Yakunin] Yes, the church's sickness does not have its roots only in the Soviet period. In many instances, the church was even to blame for the victory of communism in Russia. It would have been the only body that could have put up intellectual resistance against Marxism-Leninism. But the Moscow Patriarchy turned out to be too weak. And not only the Moscow Patriarchy. Communism always won in countries that were Orthodox: Romania, Bulgaria, etc. Only Catholic Poland always knew how to defend itself.

[Von Ow] You are criticizing the submissiveness of the old church apparatus to the state. But you, as a Duma deputy, do you not represent the church's excessive closeness to Russian politics?

[Yakunin] If one looks at the history of the state dumas, one can see that the church has always participated actively in politics. In all four state dumas so far, there were priests as deputies. A church must intervene in society. The best example are the encyclicals of the pope in Rome, which comment on topical issues of life. A church that is not involved in social policy is not a living church. Filaret, the bishop of Minsk, who prohibits me from getting involved in politics, is himself a member of the Belarusian Parliament. In addition, the patriarch is very active in politics nowadays: He was in the former Yugoslavia and opposed the arms embargo against the Serbs. Today it seems again to be important what kind of policy one pursues: If one is reactionary and anti-democratic, one may do so; if one tries to act on the ground of democracy, one is strictly disciplined.

[Von Ow] Are there attempts in the Duma to revive that draft of the religious laws that opposes Western missions?

[Yakunin] Yes, from two different directions. The Economic Affairs Committee and Deputy Lisichkin (of Zhirinovskiy's Liberal Democratic Party of Russia) are working on corresponding draft laws. This time, the point is not so much to restrict the activities of other religious groups, but to get land and real estate property returned to the church. According to these drafts, all former church property is to be returned to the Moscow Patriarchy, even if it belonged to other parts of the church—the Catacomb Church or the Foreign Church.

[Von Ow] Once again the question: On which forces do you place your hopes for an internal renewal of the Russian Orthodox Church?

[Yakunin] In other countries, too, the churches had to prove their viability, particularly during periods of reform. At the end of the 19th century, there was a big reform movement in the Orthodox Church in Russia, which climaxed in 1920. The focus was the great reform council of 1917-18. This process began during the tsarist period—under a regime that was much stricter. Instead of continuing the process today under democratic conditions, the hierarchy is torpedoing it. However, the decisions of the 1917-18 council are the basis for a renewal of the Orthodox Church. Unfortunately, the dictatorial structure of today's church does not permit any initiatives at the grassroots. There are many priests and monks who are critical of the current situation, but everyone is afraid of doing something against the Patriarchy and of being fired just like I was.

[Von Ow] At least the patriarch now seems to be trying to find a balance between the various forces in the church.

[Yakunin] This patriarch has proved to be a person who is not worthy of this office. He has no will, he is weak and unable to implement even the most elementary reforms

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in the church. Instead, he actively supports anti-democratic groups, such as the Association of Orders.

[Von Ow] During these times of instability, do the people actually want reforms in the church, where they are looking for support?

[Yakunin] The people have always been passive. But this is due to the fact that most of them know little about the church. Even those who are today nominally counted as new believers are mostly indifferent toward the church. Nowadays everyone is using the church for his own purposes. If the believers were to see the church as their mother, they would struggle with all their strength to have the past injustices rectified.

[Von Ow] Is it true that the wave of baptisms that ran across Russia at the end of the 1980's is already receding?

[Yakunin] Yes, the Chistianization of Russia did not take place. There will not be a second baptism of Russia, either. The church would have had to spearhead the process of spiritual renewal and recovery of Russian society. However, this time again, it did not live up to its most important task: The Christianization of the country. If there are no reforms, there will be a new schism in the church. Already now many people are turning their backs on the Moscow Patriarchy. There are already priests who say that Russia will be a Protestant country in 10 or 15 years.

Businessmen Issue Ultimatum to President, Government

LD2608131994 Moscow Russian Television Network in Russian 1200 GMT 27 Aug 94

[Report over video by correspondent V. Skvortsov; from the "Vesti" newscast]

[Text] Russian entrepreneurs issued a statement today. The main thrust of the document was set out by the head of the Economic Freedom Party.

Konstantin Borovoy, leader of the Economic Freedom Party, speaking on behalf of top Russian entrepreneurs today, issued an ultimatum to the president and the government. In Borovoy's words, 90 percent of the major banks and commercial organizations could suspend their operations. The reason for this show of force by private capital is that corrupt senior and middle-level state officials are blackmailing entrepreneurs, while law enforcement bodies are acting unlawfully and interpreting the presidential edict on combating crime in an arbitrary way. This was demonstrated in the cases of Lev Vaynberg in Moscow and Aleksandr Khomyakov in Kostroma—they are both now held in detention.

[Begin Borovoy recording] We are not going to tolerate this. This is blackmail. Our actions will be very effective and quite appropriate. We fear that these actions could result in the resignation of the government and an early presidential election. That is why we are, so to speak, giving notice to the authorities. [end recording]

[Skvortsov] The demands include an end to unlawful repressions against Russian entrepreneurs, an immediate reorganization of the state apparatus and law enforcement bodies, and starting a real fight against corruption and organized crime. This is a soft kind of ultimatum: If the president and the government respond appropriately and promptly, the operations of commercial banks will not be suspended.

People's Conscience Party Leader on Growing Membership

LD2708153694 Moscow INTERFAX in English 1206 GMT 27 Aug 94

[Text] Russia's ex-Prosecutor General Alexey Kazannik says that his People's Conscience Party has opened clubs in 37 territories and regions of the Russian Federation and has a membership of 40,000 to 50,000. Kazannik founded the People's Conscience Party three months ago.

Talking to newsmen in the city of Omsk Friday, Kazannik described his party as "purely centrist-oriented" and said contacts with "similar structures" were possible. He expected support from part of those who voted the Liberal-Democratic ticket, he said.

It was Liberal Democrats, he said, who arranged some of the meetings he held in St. Petersburg. Kazannik left St. Petersburg Thursday.

Kazannik hopes for heavy financial support from Russian entrepreneurs. He said 30-odd wealthy investors in Omsk were prepared to support his party.

Media Issues

State Grants Subsidies to Periodicals

MK2608104094 Moscow KOMMERSANT-DAILY in Russian 26 Aug 94 p 3

[Natalya Mandrova report: "The Opposition Press Has Not Been Left Without Subsidies"]

[Excerpts] The Council on Oversight over Distribution of State Subsidies to Periodical Publications under the Russian Press Committee has completed examination of applications for state financial support to newspapers and magazines for the first six months of fiscal 1994. The discussions that accompanied the distribution of funds caused persistent rumors about Boris Mironov's early resignation from the post of Press Committee chairman. [passage omitted]

It was at the insistence of Mironov, who called for "ultimate consistency to be shown," that a decision was made to grant subsidies to PRAVDA and SOVETSKAYA

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ROSSIYA, in spite of the active resistance by Sergey Gryzunov, who heads the subsidy distribution council. [passage omitted]

The sum of subsidies allocated was 111.4 billion rubles. Nearly half the sum—55 billion—immediately went to ROSSIYSKIYE VESTI and ROSSIYSKAYA GAZETA, in which Mikhail Poltoranin is showing an enhanced interest, as well as to the magazine RODINA. The remaining funds were claimed by 700 publications. The requests by 300, nearly half of which are central publications, were granted.

Boris Mironov has lately engaged in intense activity. Having abolished in his committee the apparatus of the State Inspectorate on Protection of Freedom of the Press, which supervised publications in federation components, he went on an "on-site" tour to study the situation and, as many observers believe, to consolidate his influence on the mass media. In the past month he has visited Kazan, Stavropol, and Orenburg. If Mironov's trips prove effective, chances are that he, as a person who has influence on the regional press, will be needed by many politicians: After all, in the next elections the struggle will focus mainly on the votes of the regional electorate.

Ostankino May Reduce Broadcasting To Save Money

LD2708095094 Moscow Radio Rossii Network in Russian 0700 GMT 27 Aug 94

[Text] A ROSSIYSKIYE VESTI correspondent has learned that the Communications Ministry has received from the Ostankino TV & Radio Company [Teleradiokompaniya "Ostankino"] a document proposing that broadcasting should be reduced. There is not enough money to pay for the airwaves. Russian TV and Radio [Rossiyskoye Teleradio] is faring no better. The information space over Russia is starting to contract, the newspaper warns, publishing an article headlined "Radio Broadcasting Was Not Cut Back Even in Wartime" ["Na Radioveshchanii Ne Ekonomili Dazhe v Voynu"].

Unions Meet With Ostankino, RTV Leaders

MM2608135394 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 26 Aug 94 p 1

[Report by Yevgeniy Kuzin: "262 Billion For 'World History'!"]

[Text] Things are moving in the direction where Lenya Golubkov and his friends, "Imperial" Bank and its world history, "Premier SV" and the like will disappear from our screens as of 1 September.

The fact is that the government has once again left its "state" television exposed without any money. And, as a result, we saw a statement issued the day before yesterday by the Communications Workers Trade Union Central Committee to the effect that, because of the huge debts involved—262 billion rubles [R]—the broadcasting of advertising would stop on all channels as of 1 September (see NOVAYA YEZHEDNEVNAYA GAZETA No. 160).

The leaders of "Ostankino" and Russian Television were not slow in meeting with Anatoliy Nazeykin, the chairman of the trade union. At the meeting each side talked about its difficulties. The communications workers said that workers at transmission centers had not been paid for a long time, that they do not have the means to renew equipment that has finally worn out, and that in October half of all television broadcasting centers will simply shut down and television screens will go blank. The television people said that things are no easier for them and that paying out the money earned from advertising would be useless, because it comes to very little (3-4 percent of total expenditure).

As a result, the government was accused of everything under the sun. (After all, in May Viktor Chernomyrdin promised the leaders of the television channels and the Ministry of Communications that television and radio broadcasting would receive R1.2 trillion from the budget. But at the Duma hearings none of the Finance Ministry officials said a word about this directive from the premier, and the figure featured in the budget was almost three times less). Without having settled anything more specific ("at any rate, there is no money") the sides parted.

Economic Issues

Chernomyrdin: No Debt Conciliation Planned

LD2808142594 Moscow INTERFAX in English 1207 GMT 28 Aug 94

[Text] The issue of nonpayments between enterprises is now one of the most pressing in the economy. However, there will be no mutual conciliation of debts at the federal level, Russian Premier Viktor Chernomyrdin said.

Chernomyrdin said in an exclusive interview with Interfax that the mutual conciliation of debts carried out in 1992 was a serious mistake. He added that a special system for settlement of nonpayments is now being worked out.

"The president issued the appropriate decree and the government adopted the appropriate resolution. Enterprises can carry out mutual conciliation of debts at the regional level and within their branch of the industry," Chernomyrdin said.

"There is no such task as to resolve the whole problem by the next day. Nonpayments will remain. However, the situation with nonpayments must not be like the present one when, in fact, everything is paralyzed," he added.

Commenting on concrete measures for resolving the issue of nonpayments, Chernomyrdin said that the order must be ensured with enterprises which sometimes have several financial accounts.

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Chernomyrdin said that a mechanism for forced payment of debts from the hard currency funds of debtors and sanctions for concealing debts is now being worked on.

Chernomyrdin spoke in favor of eliminating the deformations in payment relations between different branches of the industry. "They were earlier called cartel agreements which means that the parties agree between themselves. The first such agreement was already signed by the railway, coal workers and iron and steel industry workers.

"The parties agree not to raise the tariffs during this year. I think the next stage will be when they agree not to raise wages during the same period of time or, for instance, to keep them at the same level. This is a civilized market mechanism working all over the world. I think we will also get used to applying it," Chernomyrdin said.

Chernomyrdin on Grain Prices, Annual Harvest

LD2808122894 Moscow ITAR-TASS in English 1149 GMT 28 Aug 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow August 28 TASS—Russian Prime Minister Viktor Chernomyrdin ends today his two-day working trip to the Orenburg region and the city of Uralsk in Kazakhstan.

Speaking at a meeting with senior executives of agribusiness enterprises of the region, held on Saturday in the fields of the Shildinskoye joint-stock farm, he reiterated the government's course towards the formation of free purchasing prices on this year's grain. According to Chernomyrdin, this year the grain crop may amount to about one hundred million tonnes, which will permit russia to do without grain imports.

Chernomyrdin stressed that the government, which certainly remains the monopoly buyer of grain, is not going to impose its price on peasants. Moreover, on the suggestion of the government, prices were fixed at regional conferences by grain producers themselves. Unfortunately, he continued, those "recommended" prices exceeded the world price by 20 to 30 percent. According to the prime minister, the regions may do harm to themselves, because the higher the grain price—the smaller will be grain purchases. In addition, the government received a lot of advantageous proposals from abroad. We shall be able to maintain the priority of our national producers, if Russian peasants set their prices, taking into consideration the price by which they buy bread for their consumers. In the opinion of Chernomyrdin, it would be correct if the world trend in the correlation between the grain and oil prices was adopted in Russia: The price of one tonne of grain is equal to that of one tonne of oil.

Chernomyrdin said that this year the government would not issue special orders for helping peasants with the harvesting campaign. However, the Defence Ministry and industrial enterprises, following the tradition, will help the rural areas, primarily by sending trucks there, with a view to reducing grain losses. Now it is important to store up all the grain at state elevators, and prices may be discussed later.

Chernomyrdin described as promising the leasing form of selling farm machinery, when it is sold on the installment system, with payments to be made for a long period of time. This form of trade is very promising not only for agriculture, the prime minister said at the Shildinskoye farm. The Orenburg region purchased on leasing terms 500 Don-1500 grain harvesters this year. The most important thing about the leasing form of trade is that we are saving both peasants and machinery producers by not allowing the farm machinery to rust at factory yards.

On the same day Chernomyrdin flew to Uralsk, Kazakhstan, where he began talks with his Kazakh counterpart Sergey Tereshchenko about the joint development by Russia and Kazakhstan of the Karachaganak gas field, situated in Kazakhstan. The working groups, headed by the two prime ministers, will finish today the drafting of texts of corresponding agreements. Chernomyrdin will return to Moscow today.

Soskovets: Government To Subsidize Defense Industry

LD2608170594 Moscow NTV in Russian 1500 GMT 26 Aug 94

[Report over video by correspondent Aleksandr Zarayelayn with recorded remarks by First Deputy Prime Minister Oleg Soskovets]

[Excerpts] [Zarayelayn] The Mytishchiy machine-building works, formerly an elite enterprise of Soviet machine-building, is now struck with the same disease as the rest of the Russian economy.

[Soskovets] Now the president and the chairman of the Russian Government have decided to finance certain types, certain complexes, including...[pauses] I think it is obvious, for example, that agriculture must be supported, so must the state defense order—the volume of defense production commissioned by the state. Next week we will approve it at the sitting so as to enable the financing of the products.

[Zarayelayn] [passage omitted] In Soviet times, the giant works used to manufacture metro carriages. But its major products were designed for the defense industry. [passage omitted]

Defense Sector IOU's Worth R600 Billion To Be Signed

LD2608125294 Moscow ITAR-TASS World Service in Russian 1205 GMT 26 Aug 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

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[Text] Moscow, 26 Aug—Russia's Vice Premier Aleksandr Shokhin says the state is to issue promissory notes worth 600 billion rubles to defense industry enterprises which it owes money for work done on behalf of the Defense Ministry. A decision on the issue of these notes will be signed today, he told a news conference at Government HQ [Headquarters].

The use of promissory notes and treasury bonds is a promising way of settling the problem of nonpayments, Aleksandr Shokhin believes. It could ease the severity of the situation caused by the debt which the budget owes enterprises, and vice versa.

"The time of seeking a magic wand, with which one could end an economic crisis overnight, has already gone," Aleksandr Shokhin stressed. The Government in no way intends to resolve the problem of nonpayments through mutual cancellation of all debts, the issue of credit, or additional emission (i.e. minting of money which is not backed by goods). It intends to keep the situation under constant control, by influencing it with "effective and subtle economic instruments," the vice premier said.

Shokhin Views Draft 1995 Budget

LD2608155294 Moscow ITAR-TASS in English 1518 GMT 26 Aug 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow August 26 TASS—The draft 1995 budget currently prepared by the Russian Government provides for a budget deficit of five percent and three percent inflation at the year's end, Russian Vice-Premier and Minister of Economy Aleksandr Shokhin told a news conference here today.

In his words, the government has managed to control the inflation within ten percent. The past few months had an inflation rate of four-five percent.

The draft parameters are twice better that it was this year, but all budget items should be well protected, said the premier [as received]. The tax collection should reach 100 percent as compared to the current 64, and the budget fulfillment should be increased as compared to the current 30 percent. The government plans to submit the draft budget to the State Duma in fall.

Ministry Hopes To Stimulate Private Investment

LD2608134494 Moscow INTERFAX in English 1151 GMT 26 Aug 94

[Text] Russia's Economics Ministry is drafting a package of presidential decrees to give "a fresh impetus" to investment in the country's economy, Deputy Premier Aleksandr Shokhin reported to Interfax. In his words, a number of documents from this package could reach the Cabinet already this month or in September.

Shokhin said he has sent to Prime Minister Viktor Chernomyrdin a special message explaining the need for these presidential decrees.

The Economics Ministry forwarded to the departments and commercial banks concerned copies of a draft decree providing for a private investor to receive a 20 percent discount in the total sum of investments in his project. This means that he foots only 80 percent of the bill, the remaining costs are covered by the state. Under the document, the Economics Ministry is to earmark 0.5 percent of the gross domestic product for this purpose.

The Economics Ministry also suggests that a mechanism be devised to control the implementation of state-funded projects and assign special bodies to oversee the spending of investment money.

Another project provides for private leasing companies to be set up to buy costly equipment for subsequent leasing to enterprises, above all to small businesses.

The Economics Ministry intends to draft a decree on a procedure for implementing mortgage legislation to ensure businessmen access to credits through taking out mortgages. Yet another project is designed to form a system for investment insurance against non-commercial risk. A special document is to be worked out by the end of the year to stimulate foreign investment in Russia's economy.

According to official statistics, investment in the Russian economy has been falling for the third year in succession. In the first six months of this year investment was 27 percent lower than in January-June 1993.

Ruble's Buying Power Set To Increase Against Dollar

MM2608132094 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 26 Aug 94 p 1

[Report by Vsevolod Orlov: "Our Prices To Grow Faster Than Their Dollar"]

[Text] Experts from the Russian Federation Ministry of Economics have noted a fall in the buying power of the dollar in the Russian market throughout the entire first half of this year.

Since January the dollar's average market rate has increased by 58 percent, while consumer prices have increased by 73 percent. According to certain calculations, moderate growth in the real buying power of the ruble against the dollar should be expected in the third quarter and until late 1994, with the dollar falling slowly on the Interbank Foreign Exchange Market—as confirmed by recent events. In the space of 24 hours the dollar fell another four points to 2,156 rubles.

The report drawn up by the ministry experts on the Russian Federation's socioeconomic development in the first half of 1994 and set out by the RIA news agency notes that the rise in the ruble's buying power in the

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context of the stabilization of inflation has led to a decline in the effectiveness of Russian exports and an increase in the effectiveness of imports. Difficulties with sales and the lack of readiness to compete with the flow of cheap and higher-quality imports have led to the shutdown of many Russian enterprise, which, in the experts' opinion, is a "natural market-type reaction."

Military & Space Issues

Yeltsin Appoints Burlakov Deputy Defense Minister

LD2608111194 Moscow ITAR-TASS World Service in Russian 1041 GMT 26 Aug 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow, 26 Aug—The Russian president has issued an edict, appointing Colonel General Matvey Burlakov, commander in chief of the Western Group of Forces, as deputy Russian defense minister. ITAR-TASS learned this today from Major General Vladimir Kosarev, head of the Defense Ministry's Information and Press Department.

Army General Pavel Grachev today signed an appropriate order, fulfilling the instructions from the head of state. It has already been reported that Matvey Burlakov will arrive in Moscow on 1 August [as received], together with the General Staff of the Group, and the battle flag of the Western Group of Forces.

Profile of New Deputy Defense Minister

LD2608151694 Moscow ITAR-TASS in English 1447 GMT 26 Aug 94

[By ITAR-TASS correspondent Vadim Byrkin]

[Text] Moscow August 26 TASS—Commander-in-Chief of the Russian Western Group of Forces Colonel-General Matvey Burlakov has been nominated deputy Russian defence minister by a decree of the Russian president. The appointment order was signed today by Defence Minister Pavel Grachev.

Matvey Burlakov was born on August 19, 1935, in Ulan-Ude in a worker's family. His father, Prokopi Burlakov, was killed in 1941 during the defence of Leningrad. Matvey Burlakov graduated from the Omsk Military School named after Mikhail Frunze in 1957.

He was first the commander of an infantry platoon and then of a company. After graduating from the Frunze Military Academy in 1968 he was nominated deputy regiment commander, became regiment commander in 1969, and division commander in 1973. Burlakov graduated from the military academy of the Soviet Armed Forces' General Staff in 1977 and was nominated commander of an army corps.

Burlakov became an army commander in 1979, and head of the staff—first deputy commander of the Trans-Baykal Military District in 1983. He was nominated commander of the Southern Group of Forces in 1988, commander-in-chief of the Western Group of Forces in 1990, and Russian government plenipotentiary for the Western Group of Forces in 1992.

The wife of Matvey Burlakov, Viktoria, was his schoolmate. They have a son and a daughter.

The last commander-in-chief of the withdrawn Western Group of Forces will arrive in Moscow on September 1 with the staff headquarters and the combat banner of the Group.

Grachev Outlines Options for Border Troops

LD2808200294 Moscow NTV in Russian 1700 GMT 28 Aug 94

[Excerpt] [Passage omitted] Also this week [Russian Defense Minister] General Pavel Grachev made it clear he was going to continue with his attempts to subordinate the Russian border troops to the Defense Ministry.

[Begin Grachev recording] The present establishment and organizational structure of the border troops does not make it possible to protect the border effectively, let alone defend the border, because, first of all, the border troops only guard the land and the sea. The armed forces are, as it were, an integral part of the border troops, but they are separate from them. The armed forces mount full protection of the airspace and underwater space. If the border troops retain the establishment and organizational structure they now have, they must become part of the armed forces. Otherwise, if this proposal of mine is unacceptable, then a profound reform is needed in the border troops. This means that the border troops must be equipped with state-of-the-art weapons and hardware—aircraft, tanks, artillery—that is, they must be turned into troops capable of both protecting and defending the border. These are the two options. It is up to the Security Council and other state power structures to decide. [end recording]

Grachev: No Differences With Yeltsin on 14th Army

LD2608145394 Moscow ITAR-TASS World Service in Russian 1342 GMT 26 Aug 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow, 26 Aug—Fundamental issues concerning the Defense Ministry's position on the future of the 14th Army in the Dniestr region and its commander Lieutenant General Aleksandr Lebed are often treated superficially and sensationally, and sometimes even descend into open political speculation. This is the opinion of Russian Defense Minister Pavel Grachev who made a statement today on the 14th Army. ITAR-TASS

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received the document from the Defense Ministry's press and information department.

Pavel Grachev categorically denied media reports of differences between the president, the supreme commander in chief, and the Defense Ministry in their appraisal of the merits of General Lebed and his role in extinguishing the bloody conflict on the banks of the Dniestr. It was also conjecture that the heads of the Defense Ministry intended "to get even with the obstinate commander" under the guise of reorganizing the 14th Army.

Grachev considers that the question of reorganization or withdrawal of the 14th Army from the Dniestr region cannot be regarded as an independent initiative of the Defense Ministry and it cannot be separated from the relevant agreements and accords between all the sides concerned.

"All our intentions regarding the reform of the army, optimization of its organizational and personnel structure are orientated exclusively to the appropriate foreign policy decisions, which, I wish to emphasize in particular, are still in the stage of final treatment, and it cannot be ruled out that certain adjustments may be made to them by the president, government, and parliament," the statement stresses.

The Russian Defense Ministry, Grachev points out, fully shares the president's high appraisal of the role of the 14th Army and its commander in settlement of the conflict in the region. "We realize what consequences may come from a complete withdrawal of the 14th Army from the Dniestr region before the final elimination of the confrontation between Chisinau and Tiraspol exclusively by political means."

"I humanly understand the extremely complex situation in which Aleksandr Ivanovich Lebed finds himself today. I have just met him, and we have analyzed the situation in the force and around it. A number of measures have been worked out which, we think, will help the fulfillment of tasks facing the 14th Army." With these words Pavel Grachev ends his statement made on the eve of his flight to the Western Group of Forces on the occasion of the completion on 31 August of the withdrawal of Russian troops from Germany.

Grachev, Lebed Hold 'Friendly' Meeting

LD2608202894 Moscow NTV in Russian 1500 GMT 26 Aug 94

[Passages contained within quotation marks are recorded]

[Text] Let me remind you that a few days ago all mass media reported a project to resolve the Tajik problem with the help of General Aleksandr Lebed, commander of the 14th Army in the Dniester region. Lebed has refused this new post. Now new details of his recent actions and his plans for the future have become known. Today our program has filmed an exclusive report in the Russian Federation Defense Ministry. Here is a report by Marianna Maksimovskaya.

[Maksimovskaya] The meeting between generals Lebed and Grachev began at exactly 1100 [0700 GMT] today in the office of the defense minister. It was for this meeting that the commander of the 14th Army flew in from Tiraspol to Moscow. ITAR-TASS reported yesterday that the defense minister urgently requested by telephone that Aleksandr Lebed, who had just finished his vacation, should return to Moscow. However, Pavel Grachev told us today that there was no particular urgency as nothing extraordinary had happened.

[Grachev] "In fact, I was not aware that he had already left; I was told that he was still on vacation. I asked the chief of staff to invite him to see me today for a working meeting."

[Maksimovskaya] The two generals mainly discussed the problems related to upcoming major cuts in the 14th Army, and its withdrawal from the Dniester region within the next three years. In fact, Lebed's sudden return to Moscow yesterday puzzled the Dniester region too.

[Lebed] "After this obvious misunderstanding, the situation became tense today; but things have become more clear now, thank God, and I hope everything will calm down when I return there and everything will be guided by common sense. We are a big department, of course, and we must take sensible cuts. This will be done. This has been planned. I am grateful to the defense minister for his understanding of all the problems which we have there. The conflict, or whatever correspondents perceived as one, is over, let us say."

[Grachev] "I will say even more: This is, so to say, a new round of tensions around the minister and the Ministry of Defense. This is new political hullabaloo, shouting, and speculation around an alleged problem related to the 14th Army, or, to the allegedly rebellious Gen Lebed. I assure you that there is nothing of the sort here."

[Maksimovskaya] Recently there have been many reports in the press on a possible new appointment of Gen Lebed. This time these were not just rumors, as the defense minister has himself confirmed.

[Grachev] "Indeed, I had an idea—in agreement with the President of Tajikistan, Emomali Rakhmonov—to offer to Aleksandr Ivanovich, a combat general, my reliable helper, the post of defense minister of Tajikistan. But Aleksandr Ivanovich refused this offer."

[Lebed] "I have a habit of finishing what I have started. I will serve in Tiraspol."

[Grachev] "This is what Aleksandr Ivanovich and I have agreed: We will not offer him any new posts for now. In fact, he should finish what has been started."

[Maksimovskaya] However, the post of Commander of the 14th Army will soon be renamed—as in fact,

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Aleksandr Lebed has under his command in the Dniester region not only this army, but also other Russian units.

[Grachev] "The second point is that General Lebed should have the status not of commander of the 14th Army, but of commander of an operational group of the General Staff of the Defense Ministry, so that we could establish his command over those units—something that has not been done so far. We will tackle this issue in the next few months."

[Maksimovskaya] So, as far as one can see, the meeting was friendly. The generals even talked about their long-standing links in the army.

[Grachev] "Senior Sergeant Lebed was deputy commander of the 3d Platoon of the Ryazan Airborne Assault School. And at the same time I was..."

[Lebed] "...Commander of the platoon."

[Grachev] "Then, after the school, I offered him—a good cadet, a good assistant—the command of a platoon in my company. He was commander of a platoon. This set the ball rolling, and now he is lieutenant general. Maybe he will replace me in the nearest future. Indeed, anything can happen."

CIS Troop Withdrawal 'Virtually' Complete by 31 Aug

LD2708153294 Moscow INTERFAX in English 1206 GMT 27 Aug 94

[Text] More than 300,000 servicemen returned to Russia from CIS and other countries from January 1992 to August 1994, General Vladimir Kosarev in charge of the information department at the Russian Defence Ministry has reported to Interfax.

In his words, 3500 tanks, 7400 armored vehicles, 3300 artillery systems, 1600 planes, 1100 helicopters, 17 submarines, and 227 surface ships were transferred to Russia over the period.

Kosarev noted that the pullout of Russian servicemen from countries within and outside CIS would be virtually completed on August 31. Only peacekeepers, whose status is governed by special interstate agreements, will remain in former USSR republics.

Kosarev recalled that Soviet troop withdrawal had begun back in 1989. "In its scale and terms it is unprecedented in history," he remarked. In his words, more than 700,000 Russian servicemen have been withdrawn since 1989, and if civilian personnel and members of the servicemen's families are taken into account, the figure will be 1.2 million.

Kosarev disclosed that last year the government provided 217.1 billion rubles for the withdrawn troops. The money has been spent to build 30,000 flats, 10 hostels for 1139 beds, 19 barracks for 4412 beds, and 14 recreation centers.

In all, 126,700 flats, more than 580 recreation centers, 460 barracks, and more than 2300 arms and ammunition depots are to be constructed. In his words, the allocation of 427.8 billion rubles has been envisaged for these purposes.

Generals Concerned About Possible Military Shakeup

MK2708091294 Moscow NEZAVISIMAYA GAZETA in Russian 27 Aug 94 p 1

[Report by Vadim Yegorov under the "Army" rubric: "Purge at Belarusian MoD May Trigger Similar Events in Russia. Moscow Generals Follow with Concern Fate of Belarusian Counterparts"]

[Text] After the removal of Colonel General Pavel Kozlovskiy, Belarusian defense minister, Belarusian President Alyaksandr Lukashenka has launched a new series of reshuffles among the top brass. In accord with his edict, Lieutenant General Aleksandr Tushinskiy, first deputy defense minister; Lieutenant General Nikolay Churkin, chief of the Main Staff of the Belarusian Armed Forces (with the rank of first deputy defense minister); Generals Vasiliy Demidik, Anatoliy Zuyev, and Anatoliy Sikora, all deputy defense ministers, have been relieved of their posts. It is expected that the purge's next stage will involve a change of chiefs in key administrations of the Defense Ministry and Armed Forces Main Staff.

In Minsk, upcoming organizational-staff transformations in the Armed Forces have also been announced. The central staff is in for a 30-percent reduction. The number of posts for generals will be cut by the same percentage. Alyaksandr Lukashenka has ordered a thorough investigation into all incidents of corruption and abuse of office among former military leaders, and also among commanders still in service. Experts attribute such revolutionary changes in the Belarusian defense establishment not only to Mr. Lukashenka's electoral pledges, but also to the personal stance of the new defense minister, Colonel General Anatoliy Kostenko.

An overwhelming majority of Belarusian army officers, particularly at company and regiment level, fully support the actions of the president and defense minister aimed at ruthlessly combating negative phenomena in the Armed Forces.

The news from Minsk has not bolstered optimism among fifth floor inhabitants at the Russian Defense Ministry's pompous building on Arbat Square, the stronghold of the Russian military elite. The Moscow generals are following with concern the plight of their Minsk counterparts. An atmosphere of tense excitement in anticipation of upcoming reshuffles in the leadership of the Russian Defense Ministry reigns. Various candidates are being named, the pros and cons of each discussed. Most often, the names of Colonel Generals Mikhail Kolesnikov and Andrey Nikolayev are mentioned. Rumors are circulating that Pavel Grachev will be offered a choice

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between the posts of military policy chief at the presidential administration or Russian representative at NATO headquarters under the "Partnership for Peace" program. Particularly concerned are Mr. Grachev's cronies and classmates from their joint study at the General Staff Military Academy, currently holding respectable posts and having risen within a few years from colonels to lieutenant generals. They realize that Grachev's departure will mean an eclipse in their own careers and early retirement. General Staff officers are unanimous in their dislike for General Matvey Burlakov, who lays claim to the post of first deputy defense minister. Should this appointment materialize, the officers' disgruntlement could turn from the commander in chief of the Western Group of Forces to President Boris Yeltsin himself.

For the time being, however, a tide of critical publications about the situation in the Russian Army is mounting. Curiously, each NEZAVISIMAYA GAZETA issue with hot material about the military is at once xeroxed in hundreds of copies and circulated among the officers. As NEZAVISIMAYA GAZETA expected, on Thursday KRASNAYA ZVEZDA carried a statement by the Russian Federation Defense Ministry's press and information administration. The statement says that the mass media fail to give objective coverage of the situation in the Armed Forces, and denies reports about corruption in military circles on high, or the existence of differences between the president and defense minister, or between the defense minister and chiefs of the other power agencies. At the same time, an ambiguous reference to some "court intrigues" is at least more proof of Pavel Grachev's difficulties in the context of Kremlin relationships.

Typically, the statement emerged after Boris Yeltsin, staying in Sochi, refused to attend a famous tennis tournament in which the defense minister and other high-ranking government bureaucrats have been avid participants. By some accounts, all Pavel Grachev's attempts to arrange a private meeting with the president have so far failed. Boris Yeltsin is making a dramatic pause and spending his evenings in long conversations with Aleksandr Korzhakov. It is no secret that the president attentively heeds and appreciates advice from his security chief. Presumably, at the moment in Sochi, the outlines of Boris Yeltsin's political strategy are being defined for the coming fall, which does not promise to be easy. Depending on the results, the president will either opt for a 1996 reelection bid or definitively decide to cancel the election. An important element of the strategy should be personnel reshuffles on high, which are very likely to affect the Russian Defense Ministry also.

Satellite Launched From Baykonur 26 Aug

LD2708093794 Moscow ITAR-TASS World Service in Russian 0908 GMT 27 Aug 94

[By ITAR-TASS]

[Text] Flight Control Center, 27 Aug— An artificial earth satellite, Cosmos-2290 [number as received], was launched from the Baykonur space center on 26 August by a Zenit carrier rocket. The satellite is designed to serve the interests of the Russian Defense Ministry.

The satellite was placed in orbit with the following initial parameters: apogee 315 km; perigee 220 km; period of revolution 89.6 minutes; and orbital inclination 64.8 degrees.

The apparatus aboard the satellite is working normally.

Regional Affairs

Chechen Parliament To Increase Executive Power

LD2808162094 Moscow INTERFAX in English 1551 GMT 28 Aug 94

[Text] The Chechen parliament plans to place under the control of the president all structures of the executive power, including the power ones, Chairman of the Chechen parliament Akhyad Idigov said in an interview with Interfax in Groznyy today. Idigov stressed that the parliament will keep the right to control implementation of laws.

Idigov said the president can be given entire freedom of action as a result of the necessity for radical moves in the republic during the period of transition.

The new constitution of Chechnya is expected to be adopted in September. However, the parliament is prepared to do it right now since it worked on the draft constitution for a year, Idigov said.

New Dudayev Powers Reported

LD2708173294 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 27 Aug 94

[Text] Good evening. This is Petr Marchenko in the studio. We have more details on the situation in Chechnya. In all probability, the power of the president in Chechnya is soon going to be reinforced. Here is POSTFACTUM agency correspondent Igor Malov on the phone from Groznyy with the details especially for Ekho Moskvy:

[Malov] As Akhyat Idigov, chairman of the Chechen parliament, said today that amendments will be made to the Constitution of the Chechen Republic before 30 September. It is expected that the executive power will be reinforced for a transitional period. Thus, the president of the Chechen Republic will be granted the constitutional right to dissolve parliament, form a cabinet of ministers independently, and appoint all judges with the exception of members of the Supreme Court. Idigov did, however, point out that parliament retains the right to pass laws and monitor their implementation.

[Marchenko] A session of the National Security Council is now under way in Groznyy. According to our radio

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station's information, the latest events are being discussed. You will remember that the opposition attempted to take the republic's Naurskiy Rayon under its control yesterday. However, these plans failed. According to an INTERFAX report, only negotiations managed to prevent an armed clash.

The opposition agreed to temporarily end the standoff this morning. It accepted an ultimatum made by Chechnya's chief procurator and handed over two tanks to Dzhokhar Dudayev's supporters. Despite the setback, armed groups continue to be formed in Nadterechnyy Rayon. Here is Malov again:

[Malov] However, many people are claiming that a considerable part of the opposition home guards arrived in Nadterechnyy Rayon just to get free weapons and uniforms and are unwilling to fight against relatives taking Dudayev's side. Proof of this may be the fact that three home guards from Nadterechnyy Rayon have just turned up with weapons at a rally on Groznyy's main square.

Dudayev Forces Outmaneuver Opposition Rebels

LD2608203794 Moscow INTERFAX in English 1835 GMT 26 Aug 94

[Text] Forces loyal to Chechen President Dzhokar Dudayev on Friday outmaneuvered opposition rebels from the Nadterechny district-based Interim Council at Naurskaya, a Cossack village or stannitsa.

Several hundred Dudayev loyalists had been supplemented by guards from Naurskaya prison.

Interim Council rebels backed by seven armored vehicles, including four tanks, struck out from their base at Znamenskaya, Nadterechny district, at villages in Naurskaya district in an effort to reach the strategic bridge at Ishcherskaya which links the Naurskaya and Nadterechny districts. Taking the bridge would have given rebels of Naurskaya district. [sentence as received]

"Naurskaya district will never bow down to any opposition," Deputy Police Chief Eldarov of Naurskaya told Interfax.

Talks between rebels and locals last three hours. Rebels offered to leave the district, without making clear exactly why they were there in the first place.

Rebels eventually left the district accompanied by local officials.

Reinforcements from Chechen capital Groznyy had moved to support Naurskaya para-militaries, Chechen Vice President Zelimkhan Yandartbiyev had told officials, the administrative head of Naurskaya district told Interfax.

Chechnya Envisions Possible 'Second Afghanistan'

LD2708185794 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 27 Aug 94

[Text] Official Groznyy is continuing to insist that the opposition has the backing of the Russian authorities. Musa Merzhoyev, member of the National Security Council, told Ekho Moskvy that about 26 trainloads of Russian Army military equipment had been unloaded in the districts bordering on Chechnya in the last few days alone. It was this fact that prompted the Council's decision to possibly put into effect a plan for the defense of the republic. What does this document propose? Merzhoyev tells us in person:

[Begin Merzhoyev recording] In the event of Russian troops invading our territory, this plan envisions raising the entire population to fight and envisions fighting by regular army units and by the people waging a nationwide war for their independence. This plan envisions—and I would also like to warn officers of this—this plan envisions a second Afghanistan, but on three times the scale. [end recording]

Dudayev: Yeltsin Budgeted for Chechnya Subversion

LD2808185194 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 28 Aug 94

[Text] [Correspondent Igor Malov in Groznyy] President Dzhokar Dudayev of the Chechen Republic said in an exclusive interview with the POSTFACTUM agency today that the republican leadership has in its possession an official statement from a colonel of Russia's Federal Counterintelligence Service in which the colonel announces that Russian President Boris Yeltsin has signed an instruction allocating 150 billion rubles from the Russian budget for subversive activity against Chechnya. Furthermore, according to what Dudayev said, Umar Avturkhanov himself handed the Federal Counterintelligence Service staffer over to the Chechen government. Dudayev also gave the information that the terrorist actions in Mineralnyye Vody, organized, he said, by the Russian Federal Counterintelligence Service and other Russian special services, cost the Russian budget 70 million dollars. Igor Malov, POSTFACTUM agency, from Groznyy specially for Ekho Moskvy.

Chechnya Claims Russian, Western Media Distortions

LD2808150494 Moscow ITAR-TASS World Service in Russian 1142 GMT 28 Aug 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 28 Aug—The press and information department of the Chechen Republic has accused Russian and Western media of blasphemously distorting the real situation in Chechnya. It released a statement today, which says that a long time ago the Russian media turned into a mouthpiece of anti-Chechen propaganda by a "party of war." Western journalists, the document says, essentially copy their Russian colleagues retailing blunt lies.

Commenting on the statement, Movladiy Udugov, head of the department, told an ITAR-TASS correspondent

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that for the time being the Chechen authorities are refraining from tough sanctions against mendacious journalists, however, their patience might run low.

Khasbulatov Denies Claim to Power in Chechnya

LD2808121494 Moscow ITAR-TASS World Service in Russian 1056 GMT 28 Aug 94

[By ITAR-TASS]

[Text] Znamenskoye (Nadterechnyy Rayon, Chechnya), 28 August—Ruslan Khasbulatov's peacekeeping group aims to avoid bloodshed in Chechnya and to achieve the removal of Dzhokar Dudayev from power by peaceful parliamentary means. The former speaker lays no claim to power in Chechnya. This was stated today at a meeting between Ruslan Khasbulatov and the leadership of the interim council, an ITAR-TASS correspondent learned from a reliable source in Chechnya's interim council.

Chechen Opposition Planning Anti-Dudayev Effort

LD2908090394 Moscow ITAR-TASS in English 0808 GMT 29 Aug 94

[By ITAR-TASS correspondent]

[Text] Znamenskoye (Chechnya) August 29 TASS—In a bid to topple Chechen President Dzhokhar Dudayev, the leaders of the dispersed Chechen opposition are expected to hold a meeting today in the opposition-controlled Nadterechnyy region of the Chechen republic, a source in the Provisional Council told TASS.

The meeting apparently will be devoted to coordinating the efforts of the various opposition groups, which are headed by Chairman of the Provisional Council Umar Avturkhanov, Russian ex-speaker and ethnic Chechen Ruslan Khasbulatov, and two most powerful field commanders, Beslan Gantimirov and Ruslan Labazanov. It is expected that all the aforesaid leaders will attend the meeting.

Chechen Opposition Claims Takeover of Urus-Martan

LD2708130894 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 27 Aug 94

[From the "Novosti" newscast]

[Text] We have just received news from Chechnya. The takeover of one more rayon in Chechnya, Urus-Martanovskiy [Urus-Martan], was declared today by a man from that rayon, Gantemirov, a former ally of Dudayev's, but now a member of the republic's Interim Council, headed by Avtukhanov.

His armed supporters have not altered the power structure in the rayon though, but have just blocked the roads in and out.

In a conversation with an ITAR-TASS correspondent, Gantemirov stated he did not even demand Dudayev's resignation. The way to harmony in Chechnya may be open if Dudayev remained in post and declared parliamentary elections, laid aside his powers as head of the executive, and abided by the constitution and the law.

Ex-Groznyy Mayor Says Dudayev's Future 'Doomed'

LD2708192294 Moscow ITAR-TASS in English 1901 GMT 27 Aug 94

[By ITAR-TASS correspondent]

[Text] Znamenskoye, the Nadterechny region, August 27—"I hope all opposition forces of the Chechen republic reach in agreement on overthrowing the Dudayev regime, because this regime is doomed and lives out its days," leader of a major Chechen opposition armed group and ex-Groznyy Mayor Beslan Gantamirov told an exclusive ITAR-TASS interview today.

He described as unreal the proposal of the so-called "peace-making group" of Ruslan Khasbulatov to subordinate all opposition armed units to the group. "As for me, I will not reach agreements of the sort with anyone, because I worked too hard to create my unit and will not resolve to hand its fate over to someone." Gantamirov said he "is not sure of sincerity of Khasbulatov's statements."

Speaking of the future of President Dudayev, Gantamirov said "If Dudayev is captured with my unit, he must not hope to be taken prisoner. Dudayev is personally guilty for the death and wounds of many of my comrades." The group leader is categorically against any uses of Russian troops in Chechen settlement.

Moscow-Backed Chechen Leader on Situation

LD2708194194 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 27 Aug 94

[Studio report by "Novosti" news announcer Sergey Medvedev, including a recorded interview with Doku Zavgayev, head of the department of socioeconomic problems of the republics of the Russian Federation, in Moscow; date not given; from the "Novosti" newscast]

[Text] [Medvedev, in studio] Dudayev's official propaganda says the man the Kremlin wants to make the leader of Chechnya—or at least one such man—lives in Moscow. He is Doku Zavgayev, former chairman of the Supreme Soviet of the Chechen-Ingush Republic.

[Begin recording] [Medvedev] Doku Gapurovich, I will be frank with you. It is very interesting to meet the man official Groznyy says is meant to seize power in Chechnya with backing from Moscow and by using Umar Avturkhanov as his tool of penetration. What do you have to answer to this?

[Zavgayev] I am worried by the present developments. Any use of force to settle the Chechen issue is unacceptable. I am worried by the incessant rallies. The organizers seem to believe that the problem can be solved in

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this way. Every rally is attended by the same people, the Chechens, the inhabitants of the republic. As numbers at one rally swell, the same happens at the other one. Both sides are arming themselves. This may become a path to bloodshed unless it is stopped, This is not our way; we do not need it.

As for Avturkhanov, I know him personally. He is a worthy man who has a moral right to head the opposition. Dudayev and his regime have thrusted themselves on the people. The people never elected them. They are alien to the people. The regime has, in effect, humiliated and insulted the Chechen people and undermined trust in the people. Its incessant threats to Russia do not reflect the views of the Chechen people. There has not been a referendum in the republic on whether the Chechens want to secede from Russia, whether they want Dudayev to threaten Russia with violence—threaten to turn Moscow into a disaster area—or to carry out acts of sabotage at nuclear power stations.

[Medvedev] Incidentally, do you think such a development is feasible?

[Zavgayev] No, it is not feasible. Not one sound person would go for such things. I do not know whether Dudayev is capable of doing it himself, but the people will not go for it.

[Medvedev] Do you think Khasbulatov and Avturkhanov can now find common ground in their fight against Dudayev at the first stage? If they can, what will happen next?

[Zavgayev] The interests of Avturkhanov and his supporters, on the one hand, and of those who are now following Khasbulatov on the other coincide at this stage. I believe, however, that this goes only as far as the overthrow of the criminal regime is concerned. After that, as I have said before, the people are going to look at specific actions: at what Avturkhanov, Khasbulatov, or whomever, will have done for the benefit of their people. This is going to be the criterion for the future attitude toward any of them. Words will not help at that stage, be it spoken or written words. [end recording]

[Medvedev, in studio] Well, one can possibly take issue with Doku Gapurovich when he says that Khasbulatov and Avturkhanov will go their distinctly separate ways after the opposition gains victory. Experts predict that, strange as it may seem, they will in all probability have to prepare for the general election together. All this, however, is no more than a forecast. Dudayev's regime may be reeling, but it is still on its feet.

Deputy Premier Shakhray on Chechen Situation

LD2608203994 Moscow Russian Television Network in Russian 1700 GMT 26 Aug 94

[Interview with Russian Deputy Prime Minister Sergey Shakhray by correspondent Nikolay Svanidze; place and date not given; from the "Details" program—recorded]

[Excerpts] [Svanidze, in studio] Hello! Over the past few days, the Russian leadership has been painstakingly demonstrating its complete aloofness from the Chechen events. We decided to discuss this theme with Deputy Prime Minister Sergey Shakhray who has a keen knowledge of the Caucasus situation. Who else could we ask but him? Who else could we consult but him? [Video shows Shakhray seated at a table with pen in hand and piece of paper on table in front of him. Svanidze shown sometimes seated opposite him, but mostly off screen]

[Svanidze] Dudayev accuses Russia of interfering in Chechnya's affairs. How would you comment upon that?

[Shakhray] That is a rather amazing formula because it is difficult to interfere in one's own internal affairs. The Chechen Republic is a component part of the Russian Federation. It is difficult to interfere in one's own internal affairs. Yesterday, the Russian Foreign Ministry stated that this was the internal affair of the Russian Federation. Let us imagine the following situation: The United States of America—we always like to refer to it, to give it as an example—in the State of Utah a retired general declares the State of Utah independent, releases prisoners from jail, robs military depots, and enters talks with President Clinton. Well, what about that? It is comical.

[Svanidze] But the fact of the matter is that if the citizens of the State of Utah agree with the retired general, things might end the way they did in the middle of the last century—in civil war. To what extent are the citizens of Chechnya in agreement with their general?

[Shakhray] Only elections can give the answer to that question, can't they?

[Svanidze] But if trouble is being stirred up in Chechnya now—it is being stirred up already—what will the immediate, the practical role of Russia in all of that be?

[Shakhray] Well, you see, taking account of the fact that this is a Caucasus situation—that essentially the situation here has not been under the de facto control of the federal government for three years now—we are trying to make it as difficult as we can for forces, Russian internal troops, any other subunits, to be brought in. We rule that out. The most that is possible is an attempt to seize Dudayev's palace.

[Svanidze] You mean by Russian troops?

[Shakhray] No! No! Of course not! By internal forces.

[Svanidze, in studio] The Russian leadership has, in fact, long been faced by the dilemma—who is best, or rather, who is worse, Dudayev, or Khasbulatov?

[Svanidze, off screen, seated opposite Shakhray] The most popular, the strongest person in reality in Chechnya now is Ruslan Khasbulatov. He is leader of Chechnya—let us suppose that quite hypothetically, but it is quite a real possibility. Relations between Khasbulatov and Russian President Boris Nikolayevich Yeltsin,

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their personal relations are well known. Do you think that things will be better if Khasbulatov, not Dzhokhar Dudayev, is president, leader of Chechnya?

[Shakhray] I would answer to that: It will not be worse than under Dudayev. Will things be better under Khasbulatov? That is really not an easy question. I would reply: The most important thing from the point of view of Russia's strategic interests is the actual restoration of territorial integrity—it is essentially the last region on the territory of the Russian Federation that is leaving the common constitutional space, where criminal groupings operate, where the economy is in ruins, and so on, and so forth. If it turns out that Khasbulatov receives the support of the Chechen people, the federal center will be forced to cooperate with him. Of course, the role of Khasbulatov in bringing Dudayev to power is a key one. Of course, one can say that he is striving for power because some oil matters of 1992-1993 have to be closed. One can say anything one likes. It is most likely that Khasbulatov will be behind the back of the unified position formed by the government, and it is possible that he will have influence on one, two, or three key figures in that government. It is most likely that he himself will not take the prime role.

[Svanidze] Are you not afraid that under Khasbulatov, Chechnya will turn into a base of Russia's irreconcilable opposition?

[Shakhray] We also analyzed such a version and reckoned things out. We think that will be politically unprofitable, if not fatal for the Russian opposition, which strives to speculate upon the Russian idea of those gathered in Chechnya. They will immediately acquire the image of an opposition living on the money of the Chechen mafia. Then their political future for the people of Russia will simply be wiped out.

[Svanidze, in studio] The stake has been placed. Of course, not on Khasbulatov, but precisely against Dudayev. Any alternative to him, including Khasbulatov, suits official Moscow more than the present Chechen president.

[Svanidze, off screen facing Shakhray] According to your information, what is the correlation of real forces in Chechnya now?

[Shakhray] Well, I will not count purely criminal gangs operating on the territory of the Chechen Republic. They do not get involved in politics—they rob the population, hold up trains, and so on and so forth. Well, the following should be named among the renowned armed formations: The formation of the interim council, the formation of Beslan Gantemirov, who is a member of the interim council, the formation controlled by Ruslan Labazanov, and the forces controlled by Dudayev.

[Svanidze] So Labazanov is actually a force belonging to Khasbulatov, let us say?

[Shakhray] I would not say that. He has contacts both with the interim council and with Khasbulatov, and when Khasbulatov held a rally on the territory of the rayon controlled by Labazanov it was the local armed people of Labazanov who guaranteed the security of that rally and who guarded Khasbulatov.

[Svanidze] What is the correlation between the groupings you named?

[Shakhray] I think one to three, one to Dudayev, three to the unified opposition.

[Svanidze] That is truly amazing. Is Khasbulatov really united with Umar Avturkhanov and the members of the interim council?

[Shakhray] I think that things are moving, not toward political unification at this stage but toward joint action because the first step, no matter what the aim pursued, the first step by them is the same—to depose the Dudayev regime.

[Svanidze, in studio] In Chechnya there are around 160-170 clans. But the number of major clans that can raise an army of 2,000-3,000 men if a holy war or vendetta is declared can be counted on the fingers of one hand, and Khasbulatov belongs to one of them, to a mighty clan, which according to legend goes back to the second wife of Ivan the Terrible, Maria Temryukovna. Beslan Gantemirov, former mayor of Groznyy, former ally and now implacable enemy of Dudayev, to another. But by Chechen standards, Dudayev is of humble birth and that also forces Moscow to think that he is doomed. One must suppose that it will not talk to him, or sign any papers, or put pressure on him, or threaten him either. All of that might work to his advantage. But it will lend the opposition material assistance and wait for Dudayev to ripen and fall. The Kremlin is approximately 97 percent convinced that this will happen soon. All the best.

Ingush Congress Requests Observers for Repatriation

LD2808140594 Moscow INTERFAX in English 1207 GMT 28 Aug 94

[Text] A congress of the peoples of Ingushetia, which closed Saturday night in Nazran, decided to press Moscow for a legal assessment of the armed Ossetian-Ingush conflict of October and November, 1992, and the repercussions of that conflict. More than 340 delegates requested President Yeltsin, the Russian government and Russia's Federal Assembly to send a group of lawmakers and members of the Public Chamber under the Russian President to the area under a state of emergency. The congress wanted the Russian parliament and Public Chamber to monitor the implementation of Boris Yeltsin's decrees on the repatriation of refugees and displaced persons.

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The congress suggested the transfer of the headquarters of the Provisional Administration for the area under a state of emergency from the North Ossetian capital Vladikavkaz to the village of Chermen of the Prigorodniy District. It felt Ingushetia's law and order bodies must act to insure the personal safety of the repatriated Ingush refugees.

The congress denounced the media's attempts to cover the Chechen developments. It felt some Moscow-based and local politicians attempted to link moves to settle the Ossetian-Ingush conflict to the Chechen problem.

The peoples of Ingushetia urged the Chechen neighbors to do their utmost to avert bloodshed. The congress felt any problem could be resolved by peaceful means and offered to mediate peace in Chechnya.

'Putina-94' Antipoaching Operation Under Way

OW2808014194 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 25 Aug 94

[From the "Pacific Ocean" program]

[Text] Phase three of Operation Putina-94, which is aimed at preventing the plunder of fish resources in Russia's economic zone and the illegal transportation of its wealth abroad, is in its third day. During this period, one Russian freighter and one Japanese fishing vessel were inspected. The coast guard found no reason to detain them because both were licensed to fish.

Yesterday, there were 40 Japanese vessels carrying out licensed mackerel fishing operations under the control of a coast guard vessel in the 200-mile Russian economic zone in the Kuril chain. Our Navy has noted that after the Japanese fishing boat was fired at on 15 August, the numbers of vessels wishing to violate Russia's state border have declined significantly.

Antipoaching Operation Nets R7.5 Million Profit

MM2608150794 Moscow IZVESTIYA in Russian 26 Aug 94 p 1

[INTERFAX report: "Operation 'Salmon' Makes Money"]

[Text] Operation "Salmon," which has ended in Kamchatka, has produced a profit of the order of 7.5 billion rubles [R], whereas only around R700 million was spent on staging the operation.

This was announced by Militia Colonel Vladimir Kopeyka, chief of staff at the Kamchatka Oblast Internal Affairs Administration. Over the course of a month during Operation "Salmon" around 17 tons of roe worth more than R920 million, quick-frozen crabs worth more than R200 million, around 62 tons of salmon worth more than R215 million, and other fish products worth R23 million were confiscated. Ten underground shops producing and procuring roe, crabs, and other fish products were discovered in Petropavlovsk-Kamchatskiy.

More on Operation 'Putina'

MM2608113094 Moscow KRASNAYA ZVEZDA in Russian 26 Aug 94 p 3

[Report by Vitaliy Strugovets: "Act Three: Same Cast. Next Stage of Putina-94 Operation Starts"]

[Text] "This will be not just the longest stage of the operation," noted Rear Admiral Sergey Skalinov, chief of staff of the Russian Border Troops Maritime Forces, in response to your KRASNAYA ZVEZDA correspondent's question, "but will most likely be the most active. It is at this time of the year, the end of August, that the fishing season for members of the salmon family begins."

But before looking at the third stage, let us remember the preceding ones. Operation Putina [Fishing Season], which began on 20 April, was determined by the need to protect Russia's marine resources from truly unprecedented depredation. Of the 900 kinds of commercial fish found in the Pacific region off the Russian Federation's shores, 250 were on the verge of extinction. These included the humpbacked salmon, chum, sockeye, coho.... During the four months of the operation around 350 ships have been inspected, and 38 of them detained for illegal fishing. Fines of $30,000 dollars and 200 million rubles [R] have been levied. And the total loss to the economy averted is estimated by specialists at R1 billion. The figures, as we can see, are impressive. And the main contribution here has undoubtedly been made by the Russian Border Troops. On whose initiative the operation is being conducted. The main aims of the third stage are, as I was informed at the Russian Federation Border Troops press bureau, to prevent violation of the state border and illegal fishing in our territorial waters, the exclusive economic zone, and the continental shelf of the Russian Federation and to counteract the unsanctioned export of marine products from Russia and environmental pollution. Men and resources of the Pacific Border District and the Pacific Fleet and ships of the Russian Federation Fisheries Service have been enlisted to carry out these tasks. A representative of the State Customs Committee and Russian Fisheries Service will be on board every border guard vessel. If the situation demands, extra resources will be made available, we were told at the Federal Border Service.

It is planned to concentrate the main efforts on the South Kuril and Sakhalin areas and the central section of the Sea of Okhotsk and the Bering Sea.

During the first five days of the third stage the Appatitovyy, a medium-sized refrigerated cargo fish carrier, sailing under the Ukrainian flag, was detained in the area of Kamchatka and five foreign schooners were prevented from entering Russian territorial waters in the area of the

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island of Tanfilyev (Lesser Kuril Chain). Incidentally, as we were informed at the Russian Border Troops press bureau, the report that maritime border troops had used weapons here was false.

Commander Denies Special South Kurils Division

MK2708100794 Moscow KURANTY in Russian 27 Aug 94 p 2

[Unattributed ITAR-TASS report in the "Information for Pondering" column]

[Text] Moscow—Rear Admiral Sergey Skalinov, first deputy commander of the Russian Border Troops naval forces, has described reports in the Japanese press about a special division [divizii osobogo naznacheniya] being created in the zone of the South Kurils as groundless, based on rumors. He stated that the situation in the South Kurils zone called for a regrouping of forces and a change in the command and control system. According to him, a structure is to be created, capable of rapidly and effectively reacting to illicit actions and preventing violation of Russia's state border and the theft of its sea riches. No increase in the number of ships or personnel is envisioned, Rear Admiral Sergey Skalinov said.

Panov on 15 Aug Shooting Off South Kuril Islands

OW2608122694 Tokyo ASAHI SHIMBUN in Japanese 24 Aug 94 Morning Edition p 3

[By Yukio Aoki]

[Text] Moscow, 23 Aug—On 23 August, Panov, Russian deputy foreign minister (for East Asia and the Pacific region), in an interview with ASAHI SHIMBUN spoke about a shooting incident that happened near the Shibomai Islands of the northern territories on 15 August. Panov said Japan should promptly study the Russian proposal that will permit Japanese fishing boats to fish in the sea around the northern territories if Japan pays fishing charges.

The deputy minister insisted: "The situation exists whereby Japanese fishermen do not want to give up their fishing operations in the waters off the Kurils, and Russia intends to crack down on these operations. We should create conditions whereby the recurrence of such an incident can be prevented and fishing can be done in a safe manner."

Japan thinks that paying fishing charges will amount to an act of recognizing Russia's sovereign rights over the northern territories, and is not about to change its cautious position.

On this point, the deputy minister said: "We confirmed the presence of the territorial issue in the Tokyo Declaration. We have no intention of gaining an advantage over the territorial issue by this. The lives of the fishermen should not be endangered by political intentions."

Explaining the proposal of paying fishing charges, he said, "Russia has made repeated requests to Japan on it, but Japan has failed to give a clear-cut reply, continually saying the matter is still under study."

Panov also said that since it has become possible for the people of the northern territories and Hokkaido to travel between the two areas without visas, exchange activities and mutual economic activities have expanded, and added that this is a desirable move. He said, "It is not necessary to build "Kuril walls" patterned after the Berlin walls, and it is impossible to build such walls."

Chernomyrdin To Begin Orenburg Oblast Visit

MM2608114194 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 26 Aug 94 p 1

[Report from RIA, INTERFAX column: "Viktor Chernomyrdin To Familiarize Himself With Progress of Reform In His Home Area"]

[Text] Russian Premier Viktor Chernomyrdin is planning a working visit to Orenburg Oblast (Southern Urals) 26 and 27 August. The main aim of the visit—like the premier's other trips around the country lately—is for him to familiarize himself with the progress of reform and the implementation of presidential edicts and government decisions at local level.

V. Chernomyrdin knows Orenburg Oblast well—he is from these parts. The house where the current head of the cabinet was born and raised is in the village of Chernyy Otrog.

Orenburg Legislators Oppose Russian-U.S. Exercises

LD2608175794 Moscow INTERFAX in English 1603 GMT 26 Aug 94

[Text] The legislative assembly of the Orenburg region (Southern Urals) has come out against Russian-American military exercises scheduled for early September on the Totsk test range.

On Friday the legislators sent a letter to Russian President Boris Yeltsin with an appeal to cancel the joint exercises because "the difficult social-political situation in the Orenburg region and the presence of foreign forces could result in mass actions of protest."

Several demonstrators carrying slogans such as "Yankee, Go Home," "We Shall Not Let Russia Become an American Colony" demonstrated near the legislative assembly building on the day of the sitting.

Bashkortostan Doubts Status Despite Treaty

MM2608133394 Moscow KRASNAYA ZVEZDA in Russian 26 Aug 94 p 3

[Report by Oleg Bedula under the "Events and Commentary" rubric: "Bashkortostan: Will It Always Be Part

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of Russia? Will Bashkiria Obtain the Autonomy and Independence It Is Counting On?]

[Text] It has to be said that these doubts [reference to headline], even if only to a small extent, have persisted since the signing of the treaty. In view of this and in a bid to secure fuller understanding and support among the population and in state structures and public associations the republic's leadership ceaselessly declares the historic significance of the signed document and the good prospects it offers for establishing a state system and sovereignty. At the same time an attempt is being made to dispel doubts which have arisen concerning "disparities" present in the sides' stances on the eve of the treaty's signature.

The section concerning legislation, the judicial system, and the prosecutor's office were most difficult of all to agree. The problem is that under the Russian Constitution these questions fall within the exclusive jurisdiction of the Russian Federation or within joint jurisdiction. Now, however, under the treaty, questions relating to the judicial system, the legal profession, the prosecutor's office, and the notarial system will come under Bashkortostan's jurisdiction. In accordance with what is undoubtedly a very important compromise, the republic will obtain its own legislative system, but on condition that it does not breach laws common to the Russian Federation.

The question of how much Bashkortostan is allegedly underpaying the federal budget and why has been clarified. "We have discussed this with Viktor Stepanovich Chernomyrdin," Bashkortostan President Murtaza Rakhimov stated recently. "The republic allocates resources to higher educational institutions, budget-financed organizations, and defense enterprises under federal jurisdiction and also finances in agreement with the Russian side environmental programs and other federal measures. We are not refusing to participate in the upkeep of the army and internal affairs organs or to allocate resources to other federal needs. Complete mutual understanding has been reached with Moscow on this question."

There is also understanding on such an important question as the tax system. It will be uniform with the Russian system.

In connection with the signing of the treaty, industrial and commercial structures have been asking the government about potential foreign investments in Bashkortostan's economy. However, everything is not plain sailing here. The republic remains part of Russia, and foreign investors are demanding guarantees from the Russian government and Bank of Russia.

Bashkortostan will always remain part of Russia, President Murtaza Rakhimov constantly stresses.

Bashkiria's Ex-Premier Highlights Power Crisis

MK2708113094 Moscow KOMMERSANT-DAILY in Russian 27 Aug 94 p 4

[Sergey Kudryashov report: "The Former Premier Intends to Return to His Chair"]

[Excerpts] Anatoliy Kopsov, who resigned as prime minister of Bashkiria [Bashkortostan] in July, has made a statement which was yesterday reported in the mass media. The former head of government maintains that the true reason for his departure lies in disagreement with the cadre policy pursued recently by the republic's leadership. Kopsov also accused the authorities of preparing a dissolution of the Cabinet of Ministers.

Anatoliy Kopsov was discharged from the post of head of government on the insistence of Bashkiria's President Murtaza Rakhimov allegedly for abuses committed in building a mansion outside Ufa. Meanwhile, according to local observers, the republic's leadership used the drive against corruption as a pretext for a cadre purge.

Anatoliy Kopsov says the same thing. "Under various pretexts, including the struggle against corruption and crime, many unamenable heads of administration, enterprise chiefs, and organization directors have been removed from their posts. Parallel structures are being created in the upper echelons of power, and the functions of the power branches are being superseded. A number of fundamental matters pertaining to the jurisdiction of the cabinet of ministers are being dealt with by the presidential services, bypassing the cabinet. Another government crisis is in evidence. Essentially, a dissolution of the incumbent government is being prepared," the former head of government says in his statement.

Anatoliy Kopsov's supporters believe that President Rakhimov has chosen the unassailable line of fighting corruption and crime to divert the voters' attention from economic failures. [passage omitted]

Anatoliy Kopsov, who during the year and a half of his work as prime minister has become a fairly independent political figure and a deputy to the Federation Council, demands that an extraordinary session of the Bashkir Supreme Soviet be called to consider the question of his resignation. If parliamentarians look into Kopsov's case, chances are that the political situation in the republic will be exacerbated. Among the former head of government's trumps are the opinion of the Federation Council on the juridical vagueness of the decision to dismiss him, and the widespread construction by officials of houses like the one over which the former prime minister has suffered.

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North Ossetia Ready To Act on Georgian Refugees

MK2608093794 Moscow NEZAVISIMAYA GAZETA in Russian 26 Aug 94 p 3

[Unattributed report under the "NEGA Reports" rubric: "Georgia-North Ossetia"]

[Text] Tskhinvali has voiced the desire to participate in the process of returning Georgian refugees. This was announced by Aleksandr Yakovenko, counselor of the Russian Federation embassy in Georgia, after a trip to the capital of Northern Ossetia where he studied the situation regarding the protection of human rights. According to Yakovenko, the region's chiefs are ready to resume the operation of the mixed commission on returning the refugees.

'Hazardous' Coal Mines To Be Closed Down

LD2808122494 Moscow Mayak Radio Network in Russian 0800 GMT 28 Aug 94

[Text] Eight coal mines will be closed down in different parts of Russia in the near future, followed by another 40. This was announced by Yuriy Malyshev, the director general of Rosugol who is currently visiting the Kuzbass. The main reason why coal will no longer be extracted at these enterprises lies not so much in the high production costs as in the extremely hazardous working conditions. We simply have no right to produce coal at the cost of human lives, Malyshev said at a meeting with the workers of the Cherkassovskaya coal mine in the town of Kiselevsk, where underground equipment is already being dismantled.

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International Affairs

CSCE Mission To Help Settle Crimean Problem

LD2608153294 Moscow INTERFAX in English 1434 GMT 26 Aug 94

["INTERFAX-UKRAINE" news item]

[Text] CSCE experts will give assistance to the Ukrainian leadership in the search for mutually acceptable resolution of the current dispute.

During debates on a draft resolution by the CSCE standing committee the chief Ukrainian delegate at the Vienna talks Yuriy Kostenko spoke highly of CSCE efforts aimed to settle the Crimean crisis.

He expressed hope that the mission would lay a solid foundation for carrying out CSCE decisions on Crimea.

The mission will help ease tensions between Ukrainian and Crimean authorities, sources in the Ukrainian Foreign Ministry have said.

The CSCE thereby enhances its mediatory role in settling the crisis triggered by the Crimean parliament's resolution to restore the Constitution of the Republic of Crimea of May 6, 1992.

Russia May Be Guarantor To Crimea-Ukraine Agreement

LD2808141394 Moscow INTERFAX in English 1207 GMT 28 Aug 94

[Text] An adviser to the Crimean President and an expert on the staff of the State Duma's legislation committee Oleg Rumiyantsev told Interfax that the Russian Federation could act as a guarantor for the realization of an agreement on the division of authority between Crimea and Ukraine.

As early as this fall Crimean President Yuriy Meshkov could be expected to suggest such an agreement, after which the Crimean parliament would address Kiev, Rumiyantsev said. In Rumiyantsev's view, an agreement similar to the one concluded by the Russian Federation and the Tartar republic would enable Crimea and Ukraine to build relations on a legal basis and resolve many problems.

Now that the economic situation in Crimea deteriorated, "appropriate structures of the Russian parliament must press the executive branch for more attention to the Crimean problem."

Rumiyantsev saw Sevastopol's decision to consider itself a Russian city as well justified in the context of protecting the sailors', servicemen's and residents' interests and in keeping with the decision of July 9, 1993, of the Russian Supreme Soviet. The decision by the Sevastopol Soviet must be taken into consideration at the upcoming round of the Russian-Ukrainian negotiations, he said.

Russian Advisor Backs Sevastopol City Council Action

LD2608123394 Moscow ITAR-TASS World Service in Russian 0556 GMT 26 Aug 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow, 26 Aug (ITAR-TASS)—Oleg Rumyantsev, head of the Russian Constitutional Reform Fund, who describes himself as "an independent consultant" to the Crimean president, believes it is "quite natural" for Sevastopol's Council to have called for the city to be given the status of a Russian city.

In an ITAR-TASS interview the lawyer expressed the view that there is a good legal basis for this step by the Sevastopol authorities: "There is the 1948 decision by USSR Supreme Soviet Presidium, and two decisions by the Russian Federation Supreme Soviet in 1993." At the same time he said that "the calm reaction in Ukraine and the equally calm reaction in Russia are positive aspects and this leaves open the possibility for normal talks to be held."

Rumyantsev said that he and other members of the Fund drew up a concept for the legal status of Crimea at the request of [Crimean President] Yuriy Meshkov. This concept proceeds from the position that Crimea cannot be a part of Ukraine nor a part of Russia but should be "in common, as a part of the CIS and, even better, as a part of a new union state which will inevitably be restored." "Crimea should be regarded today as a bridge between Ukraine and Russia and as a major symptom of the intensifying integrationist processes within the framework of the CIS," the lawyer considers.

The lawyer believes that Crimea should have equidistant treaty and constitutional relations with Ukraine and Russia. Furthermore, Russia should declare itself the guarantor of the peaceful development of Crimea and certain obligations should be envisioned when a Russian-Ukrainian treaty is concluded. Finally, two currencies should circulate freely in Crimea: both karbovantsi and rubles.

Such a concept, however, would "work" only if Russia helps Crimea. Oleg Rumyantsev believes that "serious disagreements have begun between various cells of power" and the main reason for this is the absence of subsidies from Russia.

Questions of the Black Sea Fleet, the accommodation of seamen, the infrastructure, the problem of supplying the Crimean resort zone with foodstuffs—all of these, the lawyer believes, directly affect Russian interests.

Economy, Finance Ministers in Moscow for Talks

LD2708100294 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 26 Aug 94

[Text] Ukraine's Economy Minister Roman Shpek and Finance Minister Petro Hermanchuk have made a

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working visit to Moscow. In consultations with Russian Deputy Prime Minister Aleksandr Shokhin and Acting Finance Minister Sergey Dubinin, they discussed a wide variety of issues relating to economic cooperation between Ukraine and Russia. The sides' principal aim was to formulate the principles and conditions of a trade and economic agreement to be signed.

Agreement was reached in principle with regard to drawing up other interstate agreements. They concern mutually protecting investment, preventing double taxation, forming financial and industrial groups and transnational corporations, exchanging legal information, improving the regime of free trade, and achieving convergence of the sides' customs policies.

Official on Border Troop Agreement With Russia

WS2908111194 Kiev KIYEVSKIYE VEDOMOSTI in Russian 19 Aug 94 p 3

[Article by Petro Medvid, chief of the Border Troops press service: "Building Bridges Between Ukraine and Russia Begins at the Border"]

[Text] A working meeting was held at the beginning of August between the heads of the Ukrainian and Russian Border Committees. Despite predictions by certain politicians and reporters who claimed that a cardinal breakthrough is impossible in the relations between Ukraine and Russia in the near future, this event gives ground for optimism and brings hope for an equal dialogue in the interests of the two states' national security.

The main result of the meeting was the adoption of an agreement on cooperation and interaction between Ukraine and Russia on border issues. The agreement was signed by the heads of delegations—Army General Valeriy Hubenko, chairman of the Committee for the Protection of the State Border and commander of Ukraine's Border Troops; and General Colonel Andrey Nikolayev, commander in chief of Russia's Border Troops.

The two generals were received by Ukrainian President Leonid Kuchma on the eve of the event. The head of state approved both the draft agreement and the two sides' initiatives aimed to step up cooperation and interaction along the state border. "Ukraine and Russia: Fewer walls, more bridges"—this slogan from Leonid Kuchma's election campaign is currently being implemented. There is no other way. This is a desire of millions of people, a necessity dictated by realities and reflected in the results of the elections in independent Ukraine. People have spoken in favor of equal relations with their historic neighbor. As for the recent reports disseminated by certain organs of the mass media, to the effect that the agreement provides for the division of the Russian-Ukrainian border into sectors, each to be protected by either Ukrainian or Russian border guards, and not by both troops from both countries—these reports are, to put it mildly, not true. The agreement on cooperation and interaction on border issues does not mention this at all. There will be no kind of "semi-border."

As we know, the situation along the Ukrainian-Russian border has recently become very complicated, rapidly changing, and in some aspects, even exacerbated.

It should be added that criminal groupings have increased their activities since the end of 1993, especially in the areas adjacent to checkpoints. In the first half of 1994 alone, more than 2,000 violators have been detained at the Ukrainian-Russian border, 1,438 kg of narcotics have been confiscated, as well as 506 firearms and 30,000 pieces of ammunition.

The challenge by illegal traders and smugglers had to be adequately countered. The joint "Barrier-94" operation represents this kind of response. More than 500 border violators were detained over 10 days, almost 4 million karbovantsi worth of smuggled goods were confiscated, as well as 26 kg of narcotics, 190.9 million Russian rubles, and $109,818. Arms and ammunition deserve special mention. Over the same period of time, border guards of the Donetsk border control unit alone, prevented the illegal shipping of 7,540 firearms, 1,344 compressed-air rifles, 1,794,000 rounds of ammunition, and 7,260 kg of gunpowder.

Taking the aforementioned facts into account, and in view of the actual state of affairs in that area, we can confirm that the Ukrainian-Russian agreement on cooperation and interaction in border issues corresponds to the fundamental interests of the two nations and will properly serve the cause of maintaining peace and security at the border.

Speaking to reporters, Valeriy Hubenko pointed out: "Ukraine's Border Troops are facing serious tasks in the field of protecting security and people's constitutional rights at the border. The presidential edict 'On Urgent Measures To Reinforce the Combat Against Crime' provides us with the guidelines for this."

As for the Border Troops' specific tasks, we are adopting fundamental measures in three major fields:

First, we are preventing illegal immigration from China, Vietnam, Korea, Pakistan, Afghanistan, and other countries of Southeast Asia and the Near and Far East.

The second field of equal importance is fighting the illegal shipment of arms and ammunition. In light of the close proximity of armed conflicts, criminal groups have recently increased their number of attempts to illegally ship firearms, ammunition, and explosives across Ukraine. Can you imagine how much sorrow could have been brought into Ukrainian homes?

The fight against drug dealers is the third field. This problem has become especially acute for Ukrainian and Russian border guards. As we know, the notorious "golden triangle" has been expanded and one of its corners covers Ukraine, Belarus, and Russia. For instance, we have data on plans by international drug lords to use uncontrolled migration via the territories of

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our states as a channel for the illegal shipment of heroin and other drugs to West Europe.

I am absolutely sure that for the law-abiding citizens of Ukraine and Russia the crossing of the state border will from now on be simplified in line with the democratic trends. However, the soil of the border zone will burn under the feet of criminal groupings, smugglers, violators, and all those who have collided with the law.

Acting Foreign Minister Views Policy Priorities

LD2608184394 Moscow INTERFAX in English 1559 GMT 26 Aug 94

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] The main goal of Ukraine's foreign policy is to protect the country's national interests, Ukrainian Foreign Minister Designate Hennadiy Udovenko said. In an interview with Interfax-Ukraine shortly after his appointment Thursday, he pointed out that "we will define the priorities of our foreign policy on the sole basis of our own interests."

At the same time, Udovenko said Kiev would make use of the experience accumulated by the world community. "For example, the United Kingdom has no eternal friends or eternal enemies—eternal are only national interests," he said.

In his opinion, Ukraine has asserted itself as a state. "Now the creation of Ukraine's image as a great state which has vast economic and political prospects is one of the top priority fields in our work," the minister designate added.

He said all officials, both appointed and elected, should work on this. "Foreign policy knows no left-wingers, right-wingers or centrists. It must be single. That is what ministers and members of parliament should be guided by when they go abroad," he said.

Another priority objective for his ministry is to provide a basis for the development of trade and economic relations with other countries, Udovenko said. Ukraine still has no close contacts with the West, he said, expressing the desire "to actively cooperate with the Ministry of Foreign Economic Relations in order to provide conditions for Ukraine's broad entry into the international market."

Commenting on Ukraine's relations with Russia, Udovenko said that until now "they have obviously been abnormal." "Now we must normalize them," he said. But Russia too should come to realize that Ukraine is its partner and not its "younger brother," who will "again be told what to do," he said.

"It must come home to Russia that a democratic and economically powerful Ukraine will do it no harm. But we must be masters in our own home. I think the president takes the same view," Udovenko said.

He attacked the former senior Foreign Ministry staff for what he called inability to manage the country's missions abroad. "Priority was given to foreign ambassadors in Ukraine and not to Ukrainian ambassadors in other countries. Our own embassies were treated as something of secondary importance," he complained, describing the form in which some of the instructions had come from Kiev as "uncivilized and insulting."

"I do believe that embassies need guidance, but they must be treated with respect," Udovenko said.

He said he was in no hurry to make staff changes in his ministry, although "that has become necessary too." "I'll first of all see how everything goes," he said.

He expressed the hope that parliament would confirm his appointment. "In any case, I don't see why my candidacy shouldn't be backed," he said.

Masol Holds News Conference Prior to Bratislava Visit

LD2708221494 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 27 Aug 94

[Interview with Prime Minister Vitaliy Masol by unidentified correspondents at Borispol airport in Kiev prior to Masol's departure for Bratislava on 27 August—recorded]

[Text] [Correspondent] Vitaliy Andriyovych, the program for your visit to Slovakia envisages a meeting with the prime minister of Slovakia. Please discuss briefly what you expect from this meeting.

[Masol] The delegation is leaving for Bratislava to take part in the celebrations on the occasion of the 50th anniversary of the Slovak uprising. During this brief visit, I will have a meeting with the prime minister. We will discuss economic relations between Slovakia and Ukraine. You know that we are building a combine in Dolinskaya, and the Slovak side is participating in this project, among others. Recently, I received the director of the combine in Cosice. We are to supply them with ore so that the metallurgical combine will be able to function and, at the same time, to involve investments from Slovakia to complete the construction of our combine on Dolinskaya. These specific economic issues will be discussed during a brief talk with the Slovak prime minister.

[Correspondent] Vitaliy Andriyovych, will the new presidential edict on improving the currency regulation aggravate the headache or relieve it?

[Masol] Well, I would say it will aggravate it, it will seriously aggravate the headache. You already see now that certain circles that want to whip up inflation have already begun to raise prices gradually. However, I can say that the government made no decisions whatsoever today on raising prices, and there is no need whatsoever

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to do this. I would like to say that the government will not forcibly raise prices in the near future.

[Correspondent] It is clear, however, that the convergence of the fixed and market exchange rates of the Ukrainian karbovanets to the dollar will contribute to the increase in prices one way or another.

[Masol] This will depend on the way our industry functions and products are sold. For example, there are no grounds for raising the price of butter today, for example.

[Correspondent] However, the price for coal has been increased.

[Masol] As far as the coal situation is concerned, in general, it is very complicated in Ukraine. In the very near future, it may happen that it would be more profitable to buy coal abroad than grant subsidies here. That is to say, the state of affairs is a little bit different there. We have made this step, in general, because it is true that the subsidies are very large. We already buy coal abroad. The government made a decision to buy 9 million tonnes of coal so that the metallurgical industry may be able to function. Now, in August, the reason that the work of the metallurgical industry is not flawless enough is the absence of coking coal.

[Correspondent] However, as a result of the implementation of the president's decree, the rest of the power sources will also become more expensive.

[Masol] The implementation of the president's decree.... [changes thought]. It must be thoroughly studied. There is one clause there by which the Cabinet of Ministers is charged with raising the issue before international circles on rendering aid. If this aid is not rendered, a question arises whether this currency regulation will be further necessary.

[Correspondent] Some people link this with a possibility of carrying out a monetary reform by the end of the year.

[Masol] There will be no monetary reform by the end of the year and, in my opinion, there will be none during the first six months of 1995.

[Correspondent] Can procrastination with the monetary reform be explained by the fact that a currency union of the CIS countries will be set up in the future, and then the monetary reform will become unnecessary, not only in the first six months of 1995, but unnecessary as such?

[Masol] You know, those who say this are wrong. The thing is that a single financial system cannot exist today. We have an independent state that builds its financial system, introduces its own monetary unit. There can be an economic union, but there cannot be a single financial system, a single monetary unit. We are an independent state.

New Foreign Trade Minister Outlines Policy

LD2808144494 Kiev UNIAR in Ukrainian 2145 GMT 27 Aug 94

[Text] Kiev, 27 Aug—A briefing in connection with the appointment of Serhiy Osyka to the post of minister has been held at the Ministry of Foreign Economic Relations of Ukraine.

Brief information: Serhiy Osyka, 38, has educational qualifications in economics and law. He is a candidate of legal sciences with great experience of work in the field of economic law and lawmaking activity. He has extensive previous experience of work at the Supreme Council Standing Commission for Foreign Affairs, at the Coordinating Council for Issues of Economic Reform, and also at the Ministry of Foreign Economic Relations, where he held the post of deputy minister. He took an active part in drafting various enforceable enactments, laws, and resolutions by the Supreme Council and the Cabinet of Ministers. He made a considerable contribution to the formation of foreign economic relations during his work at the governmental commission for issues of Ukraine's accession to GATT.

During the briefing Serhiy Osyka stressed the necessity of taking measures to reform the work of his ministry. He declared his readiness to establish the closest possible contacts with the representatives of the mass media so as to keep them informed and explain the provisions and aspects of Ukraine's foreign economic policy. In particular, he said: The main trends in the work to be done in the very near future can be determined by four programs:

1. A liberalization program with the aim of stimulating exports, on condition, however, that a reliable system and mechanisms for returning currency to Ukraine will be created simultaneously.

2. A program for the reduction of imports.

3. A program for lifting all trade restrictions within which we exist as a trade outsider.

4. A program for fighting abuses and offenses within the sphere of foreign economic activities.

Osyka Wants Ties With Former USSR, CEMA

LD2908130494 Moscow ITAR-TASS in English 1217 GMT 29 Aug 94

[By UKRINFORM correspondent for TASS]

[Text] Kiev August 29 TASS—According to Sergey Osyka, the new Ukrainian minister for foreign economic relations, it is necessary to restore past ties with republics of the former Soviet Union, as well with the states that used to belong to the Council for Mutual Economic Aid (Comecon). But they should be based on the principles of free trade, he told UKRINFORM.

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Among the main objectives of Ukraine's future foreign trade policy, Osyka picked out the need to stimulate exports with a clearcut understanding that their value will be returned to Ukraine, and a change in the investment atmosphere to make it more attractive to foreign capital. According to the minister, no significant inflow of foreign investments in Ukraine should be expected for at least one year.

Sergey Osyka, who earlier was Ukraine's deputy minister of foreign economic relations, was promoted to minister on August 22.

Deputy Speaker, FRG Envoy Discuss Aid

AU2908112694 Kiev HOLOS UKRAYINY in Ukrainian 26 Aug 94 p 1

[Unattributed report: "On Cooperation Between Two Countries"]

[Text] On Tuesday, 23 August, the first deputy chairman of Ukraine's Supreme Council, Oleksandr Tkachenko, held a consultative and initiation meeting with Alexander Arnot, FRG ambassador extraordinary and plenipotentiary in Ukraine. They discussed ways to expand cooperation between the two countries in all essential spheres, mainly the economic one. The need to intensify mutual relations in the agro-industrial sphere was particularly stressed.

O. Tkachenko also told the guest about the work of the Supreme Council. He pointed out that the parliament had focused its efforts on the improvement of the legislative principles for Ukraine's emergence from the crisis and on the improvement of the social conditions of the people's life.

The ambassador outlined his vision of the FRG's possibilities in furthering Ukraine's market-oriented restructuring of the economy and thanked Mr. Tkachenko for the audience.

Delegation Visits Uzbekistan, Kyrgyzstan

LD2808101694 Kiev Radio Ukraine World Service in English 2100 GMT 27 Aug 94

[Text] A delegation of the Ukrainian Ministry of Foreign Affairs led by the ministry's chief adviser, Oleksandr Taramenko, visited Uzbekistan and Kyrgyzstan. During their stay in Tashkent, Uzbekistan's capital, the Ukrainian diplomat had meetings with Uzbek government officials and MP's. Uzbek-Ukrainian intergovernmental relations and their legal footing were discussed at the delegation's meeting with Uzbek Foreign Minister Abdul Aziz Kamilov. The meetings in the Uzbek capital were attended by Ukrainian Ambassador to Uzbekistan Volodymyr Smetanin.

In Bishkek, Kyrgyzstan's capital, the Ukrainian delegation had talks at the Kyrgyz Parliament, Government, and Foreign Ministry. In particular, the delegation met with Alibek Ajakankulov, chairman on the parliamentary committee on foreign affairs, to discuss bilateral interparliamentary relations. Meeting with Aslanbek Chornomov, the Kyrgyz Government's chief coordinator for CIS relations, the Ukrainian delegation discussed some aspects of cooperation between the two Foreign Ministries. The Kyrgyz party repeatedly stressed its desire to expand bilateral economic relations between Ukraine and central Asiatic nations.

National Affairs

Kuchma Issues Edict To Combat Economic Crime

LD2708175794 Moscow ITAR-TASS World Service in Russian 1631 GMT 27 Aug 94

[By UKRINFORM-TASS correspondents]

[Text] Kiev, 27 Aug—Ukrainian President Kuchma issued an edict today on stepping up the fight against corruption and other economic crimes.

The decree stresses, amongst other things, the need for all-round and objective investigation of especially complex crimes relating to cases of corruption in the bodies of state power and organized criminal activities in the economic sphere; and states that to accomplish this, and to ensure that investigations are carried out urgently, instruction has been given to back the initiative of the Ukrainian Procurator General, the Ukrainian Ministry of Internal Affairs, and the Ukrainian Security Service, whereby they should set up, in accordance with the established legislative procedure, joint flying squads to investigate particularly complex crimes against the individual and in the economic sphere and also crimes committed by officials who are members of organized criminal groups.

The Ukrainian Cabinet of Ministers has been instructed to provide urgently, at the request of the Ukrainian Procurator General, material, technical, and financial resources from the government reserve fund to enable the joint investigatory flying squads to operate. The coordinating committee for the fight against corruption and organized crime is to carry out ongoing coordination of the activities of bodies involved in the fight against corruption and other crimes in the economic sphere, and is to give them all- round support and assistance.

Kuchma Issues Edict on Antidumping Measures

LD2608191994 Moscow INTERFAX in English 1834 GMT 26 Aug 94

[From the "INTERFAX-UKRAINE" news]

[Text] Ukrainian President Leonid Kuchma issued a decree on export of Ukrainian goods concerning activities of the Ukrainian ministries and enterprises as a result of the application of antidumping measures on August 26.

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In accordance with the decree, an interdepartmental commission on antidumping investigations connected with export of goods manufactured in Ukraine will be created.

The commission will focus on establishing and investigating the application of antidumping measures to Ukrainian goods by other countries, economic groups or customs unions or threats to do so and coordination of activities of the ministries and departments within the context of such a situation.

The commission will have the authority to apply sanctions to businesses in Ukraine if appropriate investigations on antidumping are initiated against them.

The decree says that in export-import operations prices established by Ukrainian businesses must conform with prices for these goods established on the export-import market by the moment of the trade operation.

The decree was issued in order to implement the GATT principles, to prevent the application of antidumping measures to Ukrainian goods by foreign countries and their economic groups, to create favorable conditions for export and to efficiently carry out the measures on protection of Ukraine's economic interests.

Kuchma's Reshuffle at Top Viewed

MK2708105194 Moscow KOMMERSANT-DAILY in Russian 26 Aug 94 p 4

[Report by Veniamin Zasulskiy: "Leonid Kuchma Makes New Appointments. Emotional Nationalists Will be Replaced by Statist Pragmatists"]

[Text] The wave of reshuffles among the top leaders in the republic long awaited after Leonid Kuchma's coming to power in Ukraine is not rolling along without sensations. A presidential edict on Thursday appointed Hennadiy Udovenko as acting foreign minister. Yesterday, a precedent was created in the whole of the ex-USSR: An "almost civilian" was appointed Ukraine's acting defense minister, to wit, Vice Premier Valeriy Shmarov who was in charge of the defense sectors of industry.

The former ministers fired by Kuchma—the head of the foreign ministry Anatoliy Zlenko and Defense Minister Vitaliy Radetskyy—were reputed in Moscow to be men whose rise is put down largely to the Ukraine-Russia confrontation. Not forgotten, for example, is the irritation Pavel Grachev lately showed speaking about his former Ukrainian counterpart. Right after he went to work, Kuchma proclaimed a policy of mending fences with Russia following which the men in Moscow quite reasonably began to look forward to the coming to power in Kiev of people who are oriented to compromises at least. As if settling for this image, Hennadiy Udovenko devoted his first public appearance as head of Ukrainian diplomacy exclusively to proclaiming a course toward unconditional normalization of relations with Russia. Naturally, with both countries necessarily remaining equal partners and never permitting relations between Moscow and Kiev to be based on the "big brother" principle. Remarkably, according to confidential information, Mr. Udovenko as Ukraine's ambassador to Poland until recently, used to forbid his subordinates contacts with their Russian counterparts. Before that, promoting Ukraine's interests in the United Nations, he submitted his Russian counterparts documents written exclusively in English. But that is history now. Somewhat new intonations are in vogue in Kiev nowadays. So far, no one has any complaints about Mr. Udovenko's low efficiency and dependability [ispolnitelnost].

No less interesting appears Mr. Shmarov's new appointment. The Ukrainian vice premier for the problems of the military industrial complex, who has combined this position with being head of the defense department, is well known in Moscow—it was he who lead the Ukrainian delegation at the nuclear disarmament talks in Moscow. Remarkably, he was rather tough, though never overstepping the bounds of propriety. Incidentally, sweeping aside his Russian partners' suspicions of Ukrainian nationalism, Mr. Shmarov once stated that he is not only a Russian, but that he was born in Moscow. But the interests of the state are an entirely different matter. One can therefore hardly expect him to make any fundamental concession to the northern neighbor. Though the general climate of the Black Seal Fleet talks may grow warmer, which is an asset in itself.

It is a long way to Kuchma finally getting his team together—in particular the position of vice premier for the economy is still vacant. Big reshuffles are also expected among the diplomatic corps. For example, it is known for certain that Ukraine's current ambassador to Russia will be replaced. No candidate has been named yet.

The reshuffle being undertaken by the new president so far appears on the whole as deliberate and skillful. It would be extremely naive to be under the illusion that the course toward rapprochement with Russia, detectable in a number of the appointments may boil down to something bearing even a distant resemblance to a puppet-regime policy. It is just the opposite. The new president who leaned for support on the Russian-speaking (and the formerly more separatist) regions during his campaign, now has visible chances to further strengthen Ukrainian statehood on the basis of consolidation of those forces that used to be frightened away by some of Leonid Kravchuk's emotive overreactions.

Masol Rules Out Currency Reform Before Mid-1995

LD2708162694 Moscow ITAR-TASS World Service in Russian 0855 GMT 27 Aug 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 27 Aug—Without international help the Ukrainian president's decree on improving currency

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regulation can only intensify inflationary processes, Ukrainian Prime Minister Vitaliy Masol told ITAR-TASS correspondents in an interview today. He is of the view that first of all the International Monetary Fund should grant Ukraine assistance, and then reforms will be carried out in the country.

Vitaliy Masol announced that certain circles are already speculating on the decree and trying to put up prices for many essential goods, sowing panic among the population. The prime minister gave an assurance, however, that the government is not planning any compulsory price rises in the near future. He also advocated state regulation of economic relations and categorically opposed free prices, which he said would impoverish the people even further. Masol also said that there will be no money reform in the country before the middle of next year. At the same time, he pointed out that this particular problem is in no way linked with the possibility of setting up a currency union of the CIS countries. He said that Ukraine, as an independent state, will not enter into any single financial system. In the near future, the country will have its own unit of currency, Vitaliy Masol stressed.

TASS Interviews New Defense Minister Shmarov

LD2608171294 Moscow ITAR-TASS World Service in Russian 1558 GMT 26 Aug 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 26 Aug—New Ukrainian Defense Minister Valeriy Shmarov, who was appointed to that post today by President Kuchma, has told ITAR-TASS in an interview that he is not going to alter the military doctrine in any way.

"Ukraine will remain a non-bloc power," he said, adding that he did not rule out its close military cooperation with other states and, first and foremost, with Russia.

According to Shmarov, Ukraine "will not make any adjustments to the process of talks with Russia on dividing up the Black Sea Fleet."

The minister expressed his concern about the implementation of the trilateral agreement. In his words, the United States has not yet provided the aid it promised to Ukraine. The nuclear disarmament program is being implemented at the expense of the Ukrainian state. He said that bilateral talks between Ukraine and the United States were to be held in Washington on 20 September, where these issues would be discussed.

Shmarov said that he was retaining his post of deputy prime minister in charge of the military-industrial complex. He pointed out that it was one of the conditions on which he accepted his appointment as the defense minister.

The minister, who says wryly that his military rank is lieutenant in the reserves, said that rumors about his appointment had been abroad for a long time. The Supreme Council decided back in 1993 that the Defense Ministry should be headed by a non-military official, and his name was mentioned in that context.

The new minister is well acquainted with the problems confronting the Armed Forces. Shmarov regards himself as a politician rather than a military man. He is going to focus on coordinating the activities of the Defense Ministry with those of other ministries and branches of the national economy, and on drawing up international agreements on the issues relating to the military- industrial complex.

"To teach the soldiers how to shoot and drive a tank is the business of the military, and my business is to provide a normal life for them," Shmarov said.

Shmarov Favors Joining Nonproliferation Treaty

LD2708161194 Moscow INTERFAX in English 1426 GMT 27 Aug 94

[Text] Ukraine's acting defense minister Valeriy Shmarov rules out radical change in the national defense doctrine.

On Saturday Shmarov told newsmen at an air show in Kiev that although he failed to see reasons for them, the defense doctrine could undergo slight changes.

Shmarov took a positive view of the Ukrainian move to join the Nuclear Non-Proliferation Treaty. By joining that pact Ukraine moved to meet the wishes of the international community, Shmarov said.

Earlier, President Kuchma declared his intention to request the national parliament to consider plans to join the non-proliferation pact in October, 1994.

Shmarov said that the Russian delegation to the Black Sea Fleet negotiations refused to cede ground on August 16 and Ukraine had no intention of reconsidering its position, either.

Possibly, Shmarov said, the Russian and Ukrainian top leaders would address the matter to find a political solution for the Fleet problem.

Favors More Contacts With Russia

LD2608202394 Moscow INTERFAX in English 1835 GMT 26 Aug 94

[Text] Acting Ukrainian Defense Minister Valeriy Shmarov said he is in favor of establishing more effective contacts with Russian military structures.

"Ukraine and Russia have many aspects for possible interaction," Shmarov told journalists in Kiev. He said that "the single air defense space and the common borders" are the preconditions for cooperation with Russian military officials.

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Shmarov was appointed to his post by a decree of the Ukrainian president issued today. Former defense minister Vitaliy Radetskyy was dismissed "due to another appointment."

Shmarov is Ukraine's first civilian defense minister. His candidacy must be approved by the Ukrainian parliament.

When asked by an Interfax-Ukraine correspondent about his military rank, Shmarov said, "I think I am a lieutenant."

Shmarov said he considers the reorganization of the armed forces and bringing the number of servicemen in conformity with that established by the military doctrine as the prior tasks of his ministry.

Shmarov mentioned conversion, employment of servicemen, housing for ex-servicemen and maintaining the armaments of the Ukrainian Army in a state conforming with the task of defending the country.

Shmarov said that he will remain the Ukrainian Vice Premier on the Military-Industrial Complex and Machine-Building. "I see special significance in this - both the army and the military-industrial complex will be in the hands of a single person."

Shmarov also said he was in favor of continuing the talks with the U.S. on Ukraine's nuclear disarmament. He added that in late September Ukrainian and U.S. officials will meet and discuss the issue of U.S. assistance in the withdrawal of strategic nuclear missiles from Ukraine.

Shmarov, 49 years old, graduated from the Kiev College of Radio Electronics in 1966 and from the Kiev State University in 1972. He worked as a laboratory chief, the deputy chief of a department, the director of the Zhulyansk Machine-Building Plant in the Kiev Region. In September 1992 Shmarov was appointed the first deputy general director of the Space Agency of Ukraine. He has been the Ukrainian Vice Premier on the Military-Industrial Complex and Machine-Building since November 1992.

Stresses Economic Side of Army Reform

LD2608204594 Kiev UT-1 Television Network in Ukrainian 1800 GMT 26 Aug 94

[Text] Interviewed by our program, [Defense Minister] Valeriy Shmarov has named what in his view are the main lines of the establishment and development of Ukraine's armed forces:

[Begin Shmarov recording] Our state's armed forces and ability to defend itself today undoubtedly depend on the state of its national economy. It is clear to everybody that the situation in our Army immediately reflects the situation in our economy, and it is precisely how we shall construct the economic side of our armed forces that will determine the course of all derivative processes.

In other words, what we need at the beginning is a move closer to a certain balance between the requirements of the Army and the possibilities of the state. My understanding is that there has to be a somewhat more compact and quite well equipped army, with new equipment and new weapons, which must be well fed, shod, and clad. Clearly, these are some of the primary aspects of the ability to defend ourselves.

This is why I believe the armed forces in general have to some extent to be restructured. This applies to their numerical strength, which will be gradually reduced to that set down by our doctrine and concept of the establishment of our armed forces.

This process is quite complex, because, understandably, yet another problem ensues from this, which is that of conversion. That is, the conversion of servicemen and those being dismissed from military service. One should understand that this certainly requires some time, expenditure, and persistence. [end recording]

Report on Defense Minister's News Conference

LD2708013394 Kiev Radio Ukraine World Service in Ukrainian 1915 GMT 26 Aug 94

[Text] Valeriy Shmarov, the newly appointed Defense Minister of Ukraine, gave a news conference in Kiev on 26 August. Here are more details from Tamara Kucherenko.

[Kucherenko] My greetings to you, esteemed ladies and gentlemen. Ukraine's President Leonid Kuchma is continuing to form a new team of government officials. Valeriy Shmarov has become the new defense minister of our state. He is a civilian but not a novice in this business, because until now it was exactly him who had occupied the post of Ukraine's deputy prime minister for military issues.

As Valeriy Shmarov pointed out at the news conference, from now on the problems of the military-industrial complex and the army will be in one pair of hands. This exact point was one of the conditions of his appointment to this post. I would like to point out right now that, according to Shmarov, no special changes are planned regarding the development of the Ukrainian Armed Forces because Ukrainian military doctrine is correct, it is peaceful, and it needs no correlation [as heard] whatsoever. Although he does not rule out factoring in that both time and certain situations may introduce corrections.

At the news conference, Shmarov set out his vision of the problems now facing him as the Ukrainian defense minister.

[Begin Shmarov recording] Obviously, the Armed Forces—the defense capacity of the state, undoubtedly—depend on the state of the national economy. It is clear that this, the state of our army, is a direct reflection of the economy itself. I think that all the derivative processes will develop depending on how we manage to

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build the economy of the Armed Forces. There is a certain approach toward a balance, a balance of the army's needs and the state's possibilities.

Well, it is an open secret that we inherited the army which was not the army constructed, so to say, in the conditions of our state, but in three military districts, from many separate units of the Soviet Army of the former Soviet Union. Therefore, today, for three years now we have been continuing to construct the army which meets the problems of defense capacity and maintain Ukraine's defense capacity.

As I see it, this should be something more compact, well enough armed, equipped with new hardware, new weapons. This army should be well provided with food, footwear, and clothes. And this is understandable, because these are the primary components of defense capacity. Therefore, I believe that a certain modernization of the Armed Forces as a whole is needed. The numerical strength should be gradually brought to the level determined by our doctrine and the concept of developing the Armed Forces. This is a rather complicated process. It is complicated because one should understand that there is yet another problem behind it, the problem of conversion, conversion of the servicemen, conversion of the people who are released from military service.

This gives rise to a third [as heard] problem. One should understand that all people should be provided with jobs and retrained. There is the housing problem—there are several thousand people to be provided with housing. And, undoubtedly, let us say, even on the example of these three problems, which I outlined as a chain, one should understand that this, undoubtedly, requires time and money, and also this requires persistence and patience to achieve a complete solution to these problems.

One of the important problems is also the maintenance of armaments ready for defense and operation. This also stems from our financial possibilities, the possibilities of our economy. I think that it will also be necessary to look for solutions here. In my opinion, more attention should be paid today to both maintaining of the available hardware and armaments in good working order and also to modernizing the hardware which we have today in our Armed Forces. [end recording]

[Kucherenko] During the news conference Shmarov also outlined in a quite clear-cut manner those processes which are taking place in our state's defense industry.

[Begin Shmarov recording] These are the processes of localizing the production of certain types of, let us say, technology, military hardware, and armaments. Well, these are the processes of structural reorganization, the processes of reorganization and cooperation—cooperation within the framework of CIS, first and foremost, because all the weapons which we have in our Armed Forces are built and exist within the framework of the CIS standards. And we cannot imagine anything else today. This is why cooperation is necessary, both in arranging repair work, servicing, and repairs under guarantee. This is also the production sphere. These are already such problems where the interests of the Armed Forces and the defense industry, the military-industrial complex of Ukraine, that is to say, such an industry which I [passage indistinct] in my work as well, cross each other. [end recording]

[Kucherenko] In the opinion of the newly-appointed defense minister, the solution to certain problems that exist in Ukraine's army needs boosting so that, after all, the Ukrainian Armed Forces have a worthy appearance.

[Begin Shmarov recording] Well, I think that the problem of so-called relations in violation of regulations is very complicated. This is not a new problem; it is being tackled permanently, however, I think it needs a certain acceleration, a certain boosting. This is something of concern for both our servicemen, our children who serve in the army, and their parents who send their children to serve in the army. Undoubtedly, we are concerned about this problem, too. Because this is also a component of the army's defense capacity. I think that this problem belongs to issues of educational work, to issues of work with the personnel. There is such a problem.

Well, I also believe that one of the main components [word indistinct] problems is the revival of spirituality, the revival of high-mindedness, the revival of the notion of a homeland, and the defense of a homeland. This is something—well, I cannot say that today our army is being built on a basis free from spirituality. Undoubtedly, this is not the case, however, having lost to a certain extent that thing which was probably over-politicization that existed in our Soviet Army, we failed to create an alternative today and a system of education, a system of, let us say, ideological and political training in the army. Personally, I visit military units rather often, and I think you also visit them frequently, and see that, unfortunately, we failed to revive that high-mindedness, that spirituality. Because this is a very important component for the defenders of the state, for the defenders of Ukraine. [end recording]

[Kucherenko] Another important issue is the issue of Ukraine's non-aligned status. Although we are a non-aligned state, according to Shmarov this does not rule out inter-state relations in the field of military and technical cooperation between Ukraine and any other country of the world, including the Russian Federation.

[Begin Shmarov recording] Regarding the essence of our relations—you are suggesting the issue of Ukrainian-Russian relations to me—I nevertheless believe that the aspects of our interaction are so vast, from issues of the supply of military hardware, spare parts, tools and accessories kits, issues of repair work, cooperation, exchange and so on, common space for the anti- aircraft defense, common borders, common trends, let us say, strategic trends. I think that, with regard to all this, Ukraine and Russia should reach a more businesslike

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situation, more businesslike contacts, as far as military and military-technical cooperation is concerned.

Well, at present a large-scale treaty is being drafted, and personally I will [word indistinct] the issue. We have rough drafts of a treaty on military and technical cooperation and, well, I think there is a number of branch and theme agreements on cooperation in the field of anti-aircraft defense, a single system of anti-aircraft defense, an exchange of data and so on. We have a whole number of branch agreements on aircraft construction, on interaction in the field of aviation servicing, and so on, on the guarantee servicing of missile systems, you know this. In other words, a series of agreements and various joint decisions. It is rather extensive. There is a sufficient basis now for arranging them, probably, in one large document on cooperation. [end recording]

[Kucherenko] Speaking before journalists, Ukrainian Defense Minister Valeriy Shmarov also set out his vision of the negotiations between Ukraine and Russia on the division of the Black Sea Fleet.

[Begin Shmarov recording] The latest round of the negotiations has so far been held approximately along the same lines which all those previous negotiations and agreements developed—you are well aware of them. And, to be honest, I do not see any fresh ideas forwarded today as far as the division of the fleet is concerned. So far we are processing what has been worked out, let us say. The latest negotiations were held on 16 (?August), well, the work is continued along the lines worked out earlier. And I believe they are reasonable. It is necessary just to intensify the very process because it has already become protracted—goodness, it has lasted three years already. This is the first thing and, secondly, it is necessary to reach compromises so as to carry out this division. You know, there was [word indistinct] a possibility.

My stand is that both the Russian part of the fleet and the part of the fleet which will become Ukrainian should retain their functioning and accomplished shape, that each part should also be an accomplished, functional part and not just a set, a list of ships or land-based facilities. This principle should be worked up and then, I think, it will allow the creation of two reasonable, normal naval formations which, proceeding from the military and political stands of the states, will be able to communicate with each other, interact in the sea, ensure the general solution of tasks and, also be autonomous and able to function autonomously. I think this is more or less reasonable model. It is necessary, [pauses] in any case I abide by this stand. [end recording]

[Kucherenko] Shmarov drew the journalists' attention to one more aspect. This is Ukrainian-American military contacts.

[Begin Shmarov recording] At present we are still carrying out such a—[pauses]. And today I received a representative of circles close to the-Pentagon, as they say, who also passed me Mr. Perry's concerns over those very slow processes which are under way, issues of interaction in the field of conversion—we have such a joint commission and joint programs—in the field of support to the process of disarmament. We agreed that both sides would get prepared [word indistinct] all our work, so to say, and, probably, in September, beginning 20 September, a bilateral meeting is planned to be held, most likely in Washington, a meeting of the commissions for conversion and commissions working on disarmament agreements, to revise stands and accelerate the real progress of all these [word indistinct], these programs. That is to say, the money is not allocated, the money is virtually not used, as they say. Today we—[pauses] although Ukraine made an important political step on the international scene by declaring its nuclear disarmament, it actually ensures its financial and economic provision on its own. You know that these are very costly measures which require expenditures. We know today about the Nunn-Lugar program, but even that money, to say nothing about the additional money envisioned and promised by President Clinton, even this planned money is being allocated very scantily. We received several million, five or six million, and even that was received not as money but [passage indistinct] technology and materials.

During the visit by [Vice President] Gore, this exact problem was accentuated. And I think that Gore, upon his arrival in the United States, nevertheless conveyed our vision of this problem, our concern, and the president's concern. The president had a rather sharp conversation with him on this issue. I think that after this process [word indistinct] around this problem have somewhat become more active. [end recording]

[Kucherenko] And in my opinion, here is one more interesting detail in the profile of the new defense minister of Ukraine. Shmarov believes that Ukrainian women should be involved on a larger scale in the work at the Defense Ministry of our state. This is Tamara Kucherenko for the Ukrainian Radio World Service.

New Progressive Party Organized

WS2908141694 Kiev SAMOSTIYNA UKRAYINA in Ukrainian 17-23 Aug 94 p 2

[Report by Inna Dolzhenkova: "Party of Spiritual, Economic, and Social Progress"]

[Text] The Party of Spiritual, Economic, and Social Progress has been organized in Ukraine. This time the new political organization was formed by the people who symbolize spiritual, economic, and social progress. Hence, the name of the party.

The head of the newly established political organization is Candidate of Economic Sciences Ivan Burdak, president of the international research and production corporation "Interteploresurs." The aim of the party is the unification of all honest people in the battle for the revival of Ukraine, establishment of justice, and prosperity of the people.

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In the opinion of the party members, progressive political parties alone cannot restrain violent attacks by Mafia and corrupt officials, who are at the helm of power and are not inclined to surrender their ruling position in the state.

The party's political council deems it necessary to address all segments of society sharing their views and aims with a proposal to form an all-Ukrainian public organization "People's Unity for the Revival of Ukraine." A constituent conference of the new party will be held in Kiev, where a program of action aimed at rescuing the Ukrainian state will be adopted.

By the way, former president Leonid Kravchuk has recently announced his desire to establish a similar civilian organization. Could he share the principles of the Party of Spiritual, Economic, and Social Progress?

Article Claims Oligarchy Has Replaced Totalitarianism

WS2908134394 Kiev KHRESHCHATYK in Ukrainian 16 Aug 94 p 2

[Report by UNIAN correspondent Serhiy Hrabovskyy: "Oligarchy Reorganizes and Wins"]

[Text] The executive and legislative branches in Ukraine have been subjected to change. The change was peaceful and was carried out by means of presidential and local elections. Should we regard this event as a triumph for democracy? In other words, does this mean that democracy has won in Ukraine? Or can this be correlated with certain realities in our political life?

To provide an answer to this question, we have to consider the facts. These facts, known to wide segments of the population, are so meaningful that they are worth speaking about once again. So, the elections have been held. The general elections in spring, as well as Supreme Council elections in summer, demonstrated that only idle or penniless candidates for deputies were not eager to violate laws. All means are necessary in the fight to win a seat in the legislature. Those people who have access to material wealth and its distribution are especially inclined to embezzlements. It is no surprise that the first session of the new Supreme Council ended in a victory: Privatization has been suspended while its basic tenets and specific results are being reconsidered. Of course, the people who manage state property and dominate in the Supreme Council are not inclined to give away the source of their power, due to which they have reached their top positions.

We should not be dubious about those people who are going to slowly make their way to the legislature during follow-up elections in fall and winter. The majority of them will represent various influential clans who do not restrain themselves in choosing means of reaching top positions.

How do the new Supreme Council deputies work? According to certain influential deputies-centrists, they do not burden themselves with adhering to legal and moral norms, which are natural for a more or less democratic society. For example, Oleksandr Tkachenko was elected first deputy Supreme Council chairman on the same day as an article—charging him with complicity in a scandal involving a big loan from the United States—exposed him as being corrupt. If this were a democratic state, a parliamentary commission would have been formed to investigate these charges. In Ukraine, however, the deputies' majority has not only supported O. Tkachenko but pretended that nothing happened, despite the appearance of several articles revealing more information about his participation in dubious deals involving tens of millions of dollars. What about the adoption of the notorious decree on the suspension of privatization? According to journalists' calculations, at the time of holding a roll-call vote, there were far fewer deputies in the hall than was officially declared. This shows that public opinion and the mass media are completely ignored.

The new president is also involved in the battle between the legislative and executive branches. He nominated Lieutenant General Volodymyr Radchenko, known for his active persecution of dissidents, as acting interior minister, and then he named him to the post of interior minister. We know that the most terrible thing for a politician in a post-communist state with genuine democracy is a suit involving corruption charges—even forced ones—with the security services. In the opinion of Ukrainian Government officials and lawmakers, "professional qualities" (the Supreme Council has approved Lt. Gen. Radchenko's nomination) are much more important than certain notions of "honesty."

Finally, the well-known presidential edict on stepping up anti-crime activities completely ignores legal norms and opens up wide and varied opportunities for the ruling quarters to preserve their power. The Army's involvement in combating crime and patrolling the cities, the preventive detention of people without official charges for up to 30 days, the possibility of withdrawing documents from companies suspected of dealing with the mafia. Let us not forget that the people who are currently heading the anti-crime campaign have great experience in calling political oppositionists criminals. Both Serhiy Paradzhanov and Stepan Khmara were brought up on false criminal charges. Where are the guarantees that this will not happen again?

Our readers can reasonably ask: Why, strictly speaking, will this have to be repeated? The answer is simple: Ukraine lacks democracy. Totalitarianism has died, but the power of oligarchy has come into being.

Oligarchy has some characteristic features related to the facts stated above (as well as several dozen others). The first is the concentration of primary wealth in the hands of a comparatively small number of people; the second—

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the dramatic division of society according to a set of factors, due to which the absolute majority of people are placed in the category of poor and very poor, and indicating the complete lack of a middle class; the third—the concentration of political, economic, and ideological power in the hands of owners of wealth and those people who distribute the production capacities [as published]; the fourth—formal democracy at a time when legal norms—when necessary—are openly neglected and the preservation of genuine levers of power in the hands of a small number of elite groups. Finally, under an oligarchical regime, people in power identify their private interests with the national interests, and openly ignore public opinion and the interests of the absolute majority of people.

Our readers can say that this could not happen under the Soviet system of power. They would probably be right. The totalitarian-bureaucratic society has an exact hierarchical ladder with a great number of rungs. Therefore, at the beginning of perestroyka there was an embryonic middle class (research intelligentsia, artists, highly qualified workers, military officers, and even "low" level nomenklatura) which, to a great extent, comprised the social basis for gaining Ukrainian independence. At a time where the state saves money by paying low salaries to the intelligentsia, a small business owner is not protected from either official or criminal extortion, and privatization has been suspended, the middle class has decreased sharply. Oligarchy, in its turn, has always depended on the masses, "ordinary people," who prefer to believe powerful demagogues than honest intellectuals.

Therefore, there has never been a genuine change of power in Ukraine. Certain structural shifts have been made within the oligarchical model, and the people who are overtly protecting their own interests have come forward. Only incorrigible optimists can hold illusions that the new system of power in Ukraine works for the benefit of the majority of Ukrainian citizens.

Kuchma, Crimean Leaders Discuss Relations

LD2908121694 Kiev UNIAR in Ukrainian 1035 GMT 29 Aug 94

[Text] Crimea, 29 Aug—A meeting is under way between Ukraine's President Leonid Kuchma on the one side and Chairman of the Crimean Supreme Council Serhiy Tsekov and Crimean President Yuriy Meshkov on the other side. During the meeting they are to discuss economic reform and economic stabilization in the Republic of Crimea, as well as issues of settling relations between Crimea and Ukraine. Serhiy Tsekov has more than once declared that Crimea will insist on building its relations with Ukraine on a contractual basis. It is expected that Leonid Kuchma will take a rigid stand concerning the decision by the Sevastopol City Council on the city's status.

Deputies Seek Support for Russian Legal Status

LD2608183494 Kiev UNIAN in Ukrainian 1700 GMT 26 Aug 94

[Text] Sevastopol, [no date as received]—On 26 August, 20 deputies to the city council and 10 leaders of the sociopolitical organizations of the city appealed to the city, oblast, kray, and republican councils of people's deputies, as well as parties and sociopolitical organizations of Russia, to support the decision by the Sevastopol City Council on recognizing the Russian legal status of the city. "This decision is historically just, legally correct, and morally immaculate. The appeal says: We also ask you to support this decision because, according to our firm conviction, Sevastopol without Russia is not Sevastopol; however, Russia without Sevastopol is not Russia."

The second appeal by the same deputies and leaders of the sociopolitical organizations has been addressed to the rayon, city, oblast councils, and the Supreme Councils of Ukraine and the Republic of Crimea. In particular, it says: "Sevastopol outside Russia is an obstacle to preserving fraternal relations between the peoples of Russia and Ukraine; therefore, not a single issue can be considered to be resolved until it is resolved on a fair basis."

The authors of the appeal expressed the hope that both the people of Crimea and the people of Ukraine are well aware of the fact that Russia will never give up Sevastopol, which belongs to it, and that the people of Sevastopol themselves will always strive for their homeland—Russia.

The authors of the appeal also express confidence that all the Slavic nations will soon live again in a single federative state—Sevastopol together with Crimea, Ukraine, Russia, and Belarus.

Crimean Parliament Supports Sevastopol Resolution

LD2808144094 Kiev UNIAR in Ukrainian 2145 GMT 28 Aug 94

[Text] Sevastopol, 27 Aug—About 80 persons took part in a meeting between the deputies to the Sevastopol City Council and the deputies to the Supreme Council of Crimea. Deputy to the city council Mr. Mazyuk appealed to the city residents to support the decision by the extraordinary session of the Sevastopol City Council on the Russian legal status of Sevastopol. Shuvaynikov, the leader of the "Russian Party of Crimea," in his speech congratulated those present with the adoption of the "history-making decision on the city's status" and sharply criticized the president, the government, and the Supreme Council of Crimea for the fact that they were not taking any measures whatsoever for the soonest possible accession of Crimea to Russia. He accused the deputy bloc "Rossiya" at the Supreme Council of Crimea of nonfulfillment of its pre-election promises.

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Morozov, the deputy to the Supreme Council of Crimea refuted Shuvaynikov's accusations because no possibilities are available today for taking radical decisions. At the end of the meeting a resolution was passed, which reads as follows: "We, the residents of the city, support the decision by the Sevastopol City Council on the Russian legal status of the city of Sevastopol." The resolution was passed on behalf of the Sevastopol organization of the "All- Crimean Movement of Electors for the Republic of Crimea," Sevastopol organizations of RPK [Republican Party of Crimea], RDK [Republican Movement of Crimea], the Russian Patriotic Assembly of Sevastopol, Sevastopol organizations "Ecology and Life" and the "Brotherhood of Crimean Slavs."

Justice Ministry Opposes Sevastopol Council Plans

LD2608163494 Moscow ITAR-TASS in English 1519 GMT 26 Aug 94

[By UKRINFORM-TASS]

[Text] Kiev August 26 TASS—A resolution of the Sevastopol City Council to make Sevastopol a subject of the Russian Federation "runs counter to the constitutions and current legislation of Ukraine and the Crimea, as well as Ukrainian-Russian agreements," says a report of the Ukrainian Justice Ministry circulated here today.

President Leonid Kuchma has also said the resolution is unlawful. He will request the Sevastopol deputies to revise their decision.

Calls Sevastopol Action 'Unlawful'

LD2608181494 Kiev UNIAN in Ukrainian 1700 GMT 26 Aug 94

[Text] Kiev—On 26 August, Ukraine's Justice Ministry gave clarifications in connection with the approval by the city of Sevastopol Council of the decision "on the status of the city of Sevastopol."

Under Article 70 of the Ukrainian Constitution, the Justice Ministry pointed out, the territory of Ukraine is single, indivisible, inviolable, and integral. Any changes to its territory and state borders without the consent of the people of Ukraine are impermissible. These general requirements establishing the supremacy of the territory of Ukraine correspond with the general principles of international law.

The ministry went on to say that under Section 2 of Article 77 of the Ukrainian Constitution, Sevastopol was a city in the republican subordination of Ukraine, while changes to the Constitution of Ukraine under Article 171 could only be made by its Supreme Council and any actions in breach of the Constitution and the legislation in force were considered unlawful.

Apart from that, Article 7 of the Crimean Republic's Constitution makes provision for Sevastopol city's special status as that of an inseparable part of Crimea, determined by the relevant legislative acts and not subject to any change without the consent of its citizens.

In taking the decision recognizing the legal status of Sevastopol as another state's city, the city of Sevastopol Council grossly violated the Constitutions of Ukraine and of the Republic of Crimea, other legislative acts in force, and agreements between Ukraine and Russia. It exceeded the powers vested in local councils of people's deputies.

Thus, the Justice Ministry concludes, the decision by the city of Sevastopol Council of People's Deputies of 23 August 1994, recognizing the legal status of the city as Russian, is unlawful, does not entail any legal consequences and is subject to revision under the procedure established.

Navy Council Protests Sevastopol Resolution

LD2608184794 Kiev UNIAN in Ukrainian 1700 GMT 26 Aug 94

[Text] Sevastopol [No date as received]—The Military Council of the Ukrainian Navy today released a statement saying that the decision by the Sevastopol City Council recognizing the legal status of Sevastopol city as being Russian is not conducive to stabilizing the situation. The statement points out that this is the second plenary sitting where city council deputies opened with political debates instead of resolving the city's economic problems as a matter of priority.

In view of the expressly negative assessment by a number of influential politicians, both in Ukraine and Russia, of the decision on the status of Sevastopol, the Navy Military Council warns that the international community will also almost certainly react negatively to this demarche against peace and calm. It calls on Ukrainian and Russian sailors not to give in to possible provocations.

The Navy Military Council adds that it hopes that the Sevastopol City Council deputies will revize their decision.

Crimean Political Union Warns of Crisis

LD2608190594 Kiev UNIAN in Ukrainian 1700 GMT 26 Aug 94

[Text] Simferopol, [no date as received]—The presidium of the Union in Support of the Republic of Crimea (SPRK) circulated a statement on 25 August, which, in particular, indicates: "With the winter drawing nearer, Crimea is facing a threat of famine and the fuel and energy crisis. A real danger has appeared so that the republic may cease to exist..."

The SPRK puts the main blame for this on the leading political circles, as it believes that they have no serious program for leading the republic out of the crisis. Up to

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now, the government has not been formed, a moratorium on privatization has not been lifted, and the reforms continue to be at a standstill.

The statement indicates that the Crimean authorities "lack pragmatism in relations with Ukraine, while the possibility of any compromises is very slim."

The SPRK believes that the activities by Crimean President Yuriy Meshkov, "the fact that he shirked the leadership of the executive power and the regular conflicts with the Supreme Council," evoke special indignation. The SPRK declares that, on the positive side, the president has "not had a single effective political action useful for the people, and he is only stirring up passions by his actions."

"The fact that the new president came to power in Ukraine, his orientation toward rapprochement with Russia makes the policy of the current leadership aimed at confrontation with Kiev senseless," says the statement.

The SPRK proposed that the Crimean Supreme Council should immediately work out and take urgent measures to lead the republic out of the crisis, begin to work with the president and the Ukrainian Government constructively, and consider the issue on Yuriy Meshkov's political abilities to perform the duties of the president of the Republic of Crimea."

Crimean Communists Rally; Urge Government Resignation

LD2708095494 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 26 Aug 94

[Text] Simferopol saw yet another rally on 26 August. This time it was the Communist Party of Crimea that took the initiative in staging a popular assembly.

Addressing the rally convened under the banners of the former USSR and Ukrainian Soviet Socialist Republic, Leonid Hrach, leader of the Crimean Communists, accused democrats and Crimea's present leadership of the impoverishment of the people, the upsurge of criminality, and other social evils.

The rally was attended by Republic of Crimea President Yuriy Meshkov, who spoke of the complex state of affairs inherited by him, and of the measures he was undertaking to pull the peninsula's economy out of the deep crisis. These words of the president, however, failed to dissuade participants in the rally from passing a resolution that, as well as demanding total rehabilitation of the Communist Party, called for a mass campaign for the resignation of the Crimean Government.

Drought Forces Water Rationing in Simferopol

MM2608144594 Moscow IZVESTIYA in Russian 26 Aug 94 p 1

[Report by Nikolay Semena: "In Simferopol Washing Allowed Only by Decision of the City Soviet Executive Committee"]

[Text] Simferopol—By decision of the Simferopol City Soviet Executive Committee a "special water supply regime" is being introduced in the Crimean capital. A schedule has been approved whereby residential areas receive water for four-eight hours every two days. Water is being supplied twice a week to the uphill parts of the city. For a month now the spa towns of Yalta, Alushta, and Sudak as well as Kerch and Sevastopol have been receiving water supplies once every two to three days.

This very acute water shortage in the Crimea is due to the prolonged drought. For 14 months now not one reservoir has received any new water supplies. The only previous occasion that such weather conditions were experienced was back in 1924. Simferopol, with a water consumption of 280,000 cubic meters a day, has been receiving only 140,000-150,000 cubic meters from the Mezhgornoye reservoir. Water supplies from the Ayanskoye reservoir ceased on 12 August. The Partizanskoye reservoir has only seven days' water left. The Simferopol reservoir is only meeting the needs of the thermal electric power station. Yalta, which has a requirement of 150,000 cubic meters of water a day, is receiving only 84,000 cubic meters a day. Alushta is getting only 18,000 cubic meters although it needs 35,000 cubic meters. On 1 September even those rations will be cut to 29,000 cubic meters and 5,000 cubic meters respectively.

Agriculture in the Crimea has been reduced to the level of the postwar years because of the irrational operation of the irrigation systems.

The government and its services are taking urgent measures to reduce the water shortage—130 billion karbovantsi have been allocated to organize the delivery of water by tank car alone and 7 billion have been set aside for planes to carry out cloud seeding operations. Subterranean water supplies at Novogrigoryevka and Bishterekzuysk have been studied and will subsequently be used.

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Kazakhstan

Kazakhstan To Share Use of Emba Testing Ground

LD2708210494 Moscow Mayak Radio Network in Russian 1830 GMT 27 Aug 94

[Text] Army General Sagadat Nurmagambetov, Kazakhstan's defense minister, has paid an official visit to the Ukrainian capital, Kiev. In talks with Army General Vitaliy Radetskyy, Ukraine's defense minister, he discussed nuclear disarmament problems and a draft agreement between the two countries' defense ministries. Nurmagambetov told journalists at a news conference that the sides had agreed on joint use of the Emba military testing ground in Kazakhstan. Agreement was also reached on training Kazakhstani servicemen in Ukrainian military training colleges.

Grain Harvest of 22 Million Tonnes Expected

LD2608161594 Moscow Ostankino Television First Channel Network in Russian 1200 GMT 26 Aug 94

[Video report by correspondent Dukesh Baimbetov with recorded remarks by Kazakh President Nursaltan Nazarbayev; from the "Novosti" newscast]

[Text] [Baimbetov] This is how generous the harvest is in Kustanay Oblast, the republic's largest grain-producing area. It provides nearly a quarter of all Kazakhstan's grain. In fact, the harvest is not bad in other oblasts either. Specialists estimate that the weight of Kazakhstan's latest harvest will be at least 22 million tons. Our republic needs only 4-5 million tons. Farms sell all the rest themselves at freely negotiable prices.

For the first time, the collective and state farms decided to rely on their own resources, without bringing in transport from outside. That means they have started to count the money.

[Nazarbayev, identified by caption] Things are tough as regards fuel and lubricants, but a direct exchange, as it were, is taking place—grain for fuel—where we buy-...[pauses] Seventy percent is ensured by the government, and the oblasts and rayon economic bodies buy up 30 percent themselves.

[Baimbetov] Horizontal links with neighboring Russian oblasts are getting stronger. In exchange for grain, not only fuel and lubricants are coming from there, but also equipment and spares too.

Kyrgyzstan

Akayev Chairs State Security Council Meeting

LD2708154594 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 26 Aug 94

[Text] As reported earlier, a meeting of the Kyrgyz security council was held at government house and chaired by Kyrgyz President Askar Akayev. Three matters were examined: the necessary measures for the republic's security regarding the military and political situation in Tajikistan, the draft of the Kyrgystan military defense concept, and the struggle against corruption in the system of state government. Akayev expressed his concern over the Tajik situation and the increase in narcotic and [words indistinct]. The situation in the region obviously shows that the necessary preventive measures must be taken [word indistinct] for state security. He noted the problems of corruption and other economic crimes in the state structure and pointed out that:

1. Law enforcement bodies must take tough action against corruption in the state structure and banking system.

2. [Word indistinct] commercial structure should be controlled and the necessary resolution should be adopted no later than this September.

3. The Finance Ministry and National Bank must strictly adhere to the conditions of the budget. Withdrawal of credit through dodgy documents should be stopped now, otherwise it will be difficult to stop later.

4. The government must introduce a new payment system.

5. Action must be taken on cases of where state property and cars being taken and tranferred to private ownership.

6. Preventive measures must be taken soon to stop the selling of public property.

President To Visit Turkey 17-18 Oct

LD2908093094 Bishkek Kyrgyz Radio First Program Network in Russian 2300 GMT 28 Aug 94

[Text] The Kyrgyz Foreign Ministry has begun to prepare for an official visit by Kyrgyz President Askar Akayev to Turkey, scheduled for 17-18 October this year. The aim of the visit [words indistinct]. Akayev will discuss with Turkish President Demirel the state of and future prospects for Kyrgyz-Turkish relations. A package of documents is expected to be signed as a result of the talks.

In particular, [words indistinct] avoiding double taxation and setting up an intergovernmental commission to implement the trade and economic agreement.

Akayev Meets With Local Leaders on Self-Government

LD2708141894 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 26 Aug 94

[Text] Kyrgyz President Askar Akayev held a meeting with local council leaders and civil service veterans at government house. They discussed a draft plan for reforming local self-government and organizing local labor bodies. At present the reality of a new form of

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self-government in the rayons, towns, and regions is gaining momentum. This type of reform should be useful for the future. Having considered the views of the people, local council, public, and party movements, the presidential apparatus drew up a draft plan for a system of local self-government. After nationwide discussion, it will be debated at a session of the Kyrgyz Supreme Kengesh. If the deputies approve it, it will be possible to begin electing local self-government bodies.

The participants read the draft plan, expressed their views, and made recommendations. Taking part in the meeting were Prime Minister Abbas Dzhumagulov and presidential state secretary Janysh Rustenbekov.

Akayev Urges New Approach to 1995 Budget

LD2608164794 Moscow INTERFAX in English 1515 GMT 26 Aug 94

[From the "Presidential Bulletin" feature No. 165 (655) for 26 August 1994; compiled by Nikolay Zherebtsov, Andrey Petrovskiy and edicted by Vladimir Shishlin]

[Text] On Thursday President Akayev called for a totally new approach to budget strategies for 1995. Talking to representatives of the People's Education and Science Ministry, Akayev said that a new budget strategy must allow for increased spending on social programs. All other countries, Akayev said, spent as much as 30 percent of their budgets on social needs.

In Akayev's view, conditions were ripe for moves to update the national budget policies.

He refered primarily to the IMF's decision to approve the extension of a loan which Kyrgyzstan is to use in the next three years on the realization of its reform plans.

Akayev felt the improved stand of the national currency unit—som—signaled the beginning of financial stabilization.

Akayev called for the timely and effective use of foreign aid. The Education and Science Ministry, which is to train people capable of saving and upgrading the republic's industrial potential with the help of new technologies, could do much for this, he said.

Akayev intended to render all-round support to the tendency for "the merger of research and education." He said that the salaries of university faculties would grow faster than those of research workers. He admitted that Kyrgyzstan was yet incapable of building an academic system of fundamental research. So, he said, special attention would be paid to colleges which served to raise the people's educational level.

A new concept of "education through culture," developed on his orders, provided for support of highly gifted children.

Akayev called for the profound study of foreign languages, in particular, Russian. In his view, the growing tendency for integration called for the "continued and expanded study of the Russian language." And, Akayev called for more attention to the English language without which Kyrgyzstan would remain on the outskirts of the international community.

Security Printing Joint Venture With German Firm

MM2608110194 Moscow ROSSIYSKAYA GAZETA in Russian 25 Aug 94 First Edition p 2

[Unattributed report: "Money for Kirghizia"]

[Text] Kirghizia [Kyrgyzstan] intends in the future to print its own money independently.

Yesterday the "Akyl" state concern and the German firm of Artlayn [name as transliterated] concluded a contract to set up a joint venture for the manufacture of securities. The German printers will provide their partners with high-quality raw materials and equipment. At the initial stage the factory will produce ordinary printed products matching up to world standards and will then go on to passports, shares, bonds, and bank notes.

Tajikistan

Russian Guards Fight Opposition on Afghan Border

LD2908092694 Moscow ITAR-TASS World Service in Russian 0706 GMT 29 Aug 94

[By Itar-Tass correspondent]

[Excerpts] Dushanbe, 29 Aug—On Sunday night, Russian border guards foiled two attempts by small groups of Tajik mojahedin to cross from Afghanistan at the Pyandzh and Moscow part of the Tajik-Afghan border. The press center of the Russian border troops command in Tajikistan said both groups managed to get to the islands on the Pyandzh River which forms the border, opposite the 12th Pyandzh and Moscow border troops detachments. The areas where the crossings were attempted were shelled.

Russian border troops and subunits of Tajikistan's Security Ministry are currently combing the mountainous region around the area where the 12th detachment is stationed to neutralize the Tajik mojahedin entrenched there. A number of major arsenals have already been discovered.

The situation on the Tajik-Afghan border remains tense on the whole.

Late in the night on 18 August, Russian border troops beat off over 15 attacks. Colonel Vladimir Novikov, acting commander of the Russian border troops in Tajikistan, says the 12th Moscow detachment is faced with the beginning of a mass-scale incursion from Afghanistan by the armed Tajik opposition. He said they have the forces and the means to beat off this large-scale foreign aggression.

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Russian Officer on Missile Attack on Border Post

LD2808104394 Moscow ITAR-TASS in English 1015 GMT 28 Aug 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe August 28 TASS—By all appearances, Tajik mujaheedins have not given up their plans to capture strategic heights, situated near the 12th frontier post of the Moscow Frontier Guard detachment, with a view to expanding combat operations against the detachment in general. On Saturday, starting from early morning, they repeatedly brought under missile fire the Russian frontier guard observation position on the Turk Height, and later the post itself, Major General Aleksandr Savchenko, second commander of the Russian frontier guard troops in Tajikistan, told ITAR-TASS today.

The shelling came both from the Afghan territory and from the border areas of Tajikistan, where armed opposition fighters got entrenched. Six missiles were fired at the height and the frontier post. One missile was fired at the 13th post of the detachment. With the help of strong artillery fire the frontier guards suppressed enemy firing positions, after which Tajik mujaheedins made no attempts to resume fire. No casualties were reported among the frontier guards. Figures for the opposite side are not known.

According to General Savchenko, Russian frontier guards and Tajik Interior Ministry troops are continuing a reconnaissance and combat operation in the area of the 12th frontier post. The purpose of the operation is to comb the highland areas and render harmless the Tajik mujahideens who are hiding there, as well as to defuse mines planted by Tajik opposition fighters. Several big arms caches were found in the course of the operation. Unfortunately, First Lieutenant Vladimir Letun, head of the demining group, was gravely wounded during the combing of the area near the 12th frontier post. He is now in hospital.

According to the current information, the situation on the Tajik-Afghan border was relatively calm last night, but Savchenko does not rule out a possibility of more armed provocations against the frontier guards. At the same time, he said firmly that any attempts to open fire and to cross the Tajik-Afghan border will be stopped most resolutely.

Number of Refugees in Badakhshan Increasing

LD2708134594 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 27 Aug 94

[Text] The number of refugees in Badakhshan is increasing. As a result of political problems in Tavildara Rayon, more than 400 persons have left here and fled to Darvaz Rayon of Gorno-Badakhshan Autonomous Oblast. There are many women and children among those fleeing. The oblast's government is rendering assistance to the refugees. But this is insufficient. The republic's government, together with the local government of Badakhshan, ought to seek decisive measures for tackling the problems associated with the refugees. It is feared that an epidemic of various diseases is possible among the refugees.

Uzbekistan

Rakhmonov on Russian-Uzbek Talks on Tajik Crisis

LD2608165194 Moscow INTERFAX in English 1515 GMT 26 Aug 94

[From the "Presidential Bulletin" feature No. 165 (655) compiled by Nikolay Zherebtsov, Andrey Petrovskiy and edited by Vladimir Shishlin]

[Text] On Friday morning Chairman of Tajikistan's Supreme Soviet Emomali Rakhmonov came to Tashkent to participate in the Russian-Uzbek negotiations on the Tajik crisis underway in the Uzbek capital.

Rakhmonov declared to journalists in the Tashkent airport that he highly appreciates Russia's and Uzbekistan's assistance in resolving the Tajik problem and hopes that the measures and approaches to be worked out in the Uzbek capital will help to establish political stability in Tajikistan.

The day before Russian Foreign Minister Andrey Kozyrev and Uzbek President Islam Karimov held negotiations in Tashkent. Director of the Federal Counterintelligence Service Sergey Stepashin, Director of the External Intelligence Service Yevgeniy Primakov, leader of the federal frontier service Andrey Novikov, and first deputy Chief of Russian General Staff Vladimir Zhurbenko represented Russia.

On the conclusion of the negotiations Stepashin declared that there are no controversies in Russia's and Uzbekistan's positions regarding the situation in Tajikistan. Stepashin refused to report what are Russia's and Uzbekistan's plans referring to the fact that on Friday they are to be discussed with Rakhmonov.

Meanwhile, Interfax has learned that Otakhon Latifi, leader of the Tajik opposition delegation at the Inter-Tajik negotiations, is ready to come to Tashkent to discuss the situation on the Tajik- Afghan border.

Progress of Privatization in Bukhara Oblast

LD2908085594 Tashkent Radio Mashal in Uzbek 2000 GMT 28 Aug 94

[Summary] According to the hakim of Bukhara oblast, there are 92 industrial enterprises in the oblast, 35 of which are either leased privately or collectively owned. More than 54 farms were taken out of state control and 250 livestock farms were privatized this year alone.

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More than 9,500 hectares of orchards were divided and allocated to the farmers. There are more than 686 private farms in Bukhara oblast.

Industrial enterprises fulfilled their production quota during the three years by 108 percent. Joint enterprises have been set-up. The Bukhara city electron corporation, which was set up jointly with the South Koreans, produces color TV sets. The recently formed Uzbek-Turkish joint enterprise provided work for 500 people in the oblast. It is envisioned that between 1994 and 1996 25 joint industrial enterprises will be set up in the oblast. Contacts are being established with business groups from India, Greece, Israel, Syria, Afghanistan, Italy, and many other countries.

Air Force Commander Threatens Power Station Takeover

OW2808144894 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 26 Aug 94

[From the "Pacific Ocean" Program]

[Text] Vladimir Ivantsov, commander of the bomber regiment deployed in Khabarovsk Kray, is prepared to use force to take over the electric power station supplying his regiment. According to Ivantsov, he is prepared to do this if a power outage occurs at the aviation unit again without warning during flight operations. The power workers explained their action by pointing out the aviators had an outstanding debt for electricity.

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Armenia

Ter-Petrosyan, CSCE's Eliasson on Karabakh Truce

LD2608163694 Moscow INTERFAX in English 1515 GMT 26 Aug 94

[From the "Presidential Bulletin" feature No 165 (655) compiled by Nikolay Zherebtsov and Andrey Petrovskiy and edited by Vladimir Shishlin]

[Text] At their meeting in Yerevan which lasted for more than three hours, Armenian President Levon Ter-Petrosyan and the chairman of the CSCE Minsk Group for Nagorno-Karabakh Settlement, Yan Eliasson, discussed how to make the truce in the conflict area steadier.

Commenting on the results of the meeting which ended late yesterday night, Eliasson described it as "productive." He said consultations with Armenian and Azerbaijani leaders showed that the sides supported direct contacts for a steadier truce and sustained peace process. At the same time, Eliasson established that the talks were going on "with difficulties and there was certain coldness in the relations between the two sides."

Eliasson declined to comment on the framework political agreement on Nagorno-Karabakh pointing out that guarantees of the safety of local population after the troop withdrawal from occupied territories were one of the document's key provisions. In his opinion, the participation of CSCE observers could be such a guarantee. "Of course, this does not mean that we underestimate the importance of the missions of others, Russia in the first place, which may play an important and specific part in the region," Eliasson said.

Eliasson hoped that "at last it will be possible to unite the mediation efforts by the CSCE and Russia and work out a single political solution."

"People residing in the conflict area face another winter which will be very hard to survive if there is no peace. This is why the existing truce is insufficient, it is necessary to move forward," he pointed out.

Eliasson said the current round of talks did not consider the status of Nagorno-Karabakh which will be the focus of the Minsk CSCE conference.

More Eliasson on Karabakh Cease-Fire

NC2808170094 Paris AFP in English 1457 GMT 28 Aug 94

[Text] Yerevan, Aug 28 (AFP)—Armenia, Azerbaijan and the breakaway republic of Nagorno-Karabakh have reconfirmed a ceasefire agreed earlier this summer, the chief European negotiator on the Karabakh conflict said here Sunday.

"All three have stated that they commit themselves to the ceasefire until a political settlement is concluded," said Jan Eliasson, chairman of the mediator group set up by the Conference on Security and Cooperation in Europe (CSCE).

Eliasson told AFP however that the warring sides' positions on major issues, including the pullout of Armenian troops from Azerbaijani territory, peacekeeping forces and the political status of Karabakh remained "far apart."

A Russian-brokered ceasefire has held for nearly three months in Nagorno-Karabakh, where more than 20,000 lives have been lost in the six-year conflict.

Situated inside Azerbaijani territory, Karabakh is inhabited by an Armenian majority who hold out for independence from Azerbaijan.

Eliasson, a Swedish diplomat, was on his way from the Armenian capital Yerevan, where he attended the funeral of the head of the Armenian church, to Baku for talks Sunday with Azerbaijani President Geydar Aliyev.

He described his past week of shuttle diplomacy, in which he has talked with Aliyev and Armenian President Levon Ter-Petrosyan twice as well as Karabakh Armenian leader Robert Kocharyan, "the most intensive so far."

On the separate negotiating efforts of the CSCE and Russia, which officials in both Baku and Yerevan claim have confused the peace process, Eliasson stressed the situation "on the ground is extremely complex."

"I think one should get away from the syndrome of 'either or' and into the syndrome of 'both and'," Eliasson stated, referring to the twin negotiating efforts.

Karabakh Defense Chief On Status of Peace Process

NC2708113294 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0700 GMT 27 Aug 94

[Text] Stepanakert ("GOLOS ARMENII" daily), 08/27/94—"We can speak about beginning of the objective phase in the peace process and regulation of the Karabakh problem," said Chairman of the RMK [Republic of Mountainous Karabakh] State Department of Defense Robert Kocharyan in an interview for press.

"Negotiations, unfortunately, are in the stage when the conflicting sides do not view each other as partners in the common goal of establishing fair peace." Kocharyan believes, real prerequisites exist today to bring the resolution of the conflict from military into the political path. "Long-lasting war itself, of which both conflicting sides tired, has shown absence of perspectives in trying to resolve the Karabakh problem by force."

Azerbaijani Shelling of Border Regions Reported

NC2608200294 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 26 Aug 94

[Text] The Defense Ministry press service reports that the Azerbaijani Army again violated the cease-fire and

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fired machine guns at the defensive positions near Chinari in Tavushskiy Rayon between 1500 and 1600 yesterday. Sevkar in Idzhevanskiy Rayon was also fired on between 1830 and 1840. There were no casualties. Our border troops did not retaliate.

The same source reported that the situation on borders has remained calm since last night.

The three-month-long cease-fire on the Karabakh fronts was not violated last night or today.

Azerbaijan

Aliyev Meets CSCE Minsk Group Chairman

NC2708182494 Baku TURAN in English 1729 GMT 27 Aug 94

[Text] Baku (August 27) TURAN—Yesterday evening Azeri President Heydar Aliyev accepted Jan Eliasson, the chairman of CSCE Minsk Group who returned from his visit to Yerevan and Khankendi .

During the talks with Azeri President Jan Eliasson noted that "his mission held intensive negotiations in Yerevan and in Khankendi." "The meeting with Levon Ter-Petrosyan, the Armenian President took two and a half hours" he said.

According to Eliasson in the course of talks he tried to hold the talks in two major directions: with the help of the mission to achieve the strengthening of the cease-fire regime and to fixing the fact that the cease-fire is the part of peaceful process. He noted that during the talks was discussed the unsettled issues in detail.

"Summing up the meetings in the region I may express the general agreement of the sides towards the necessity of maintaining of cease-fire regime until the Great Political Agreement signed. I think that it will promote to the progress of peaceful process" he said.

At the same time Eliasson noted the necessity of taking the further steps towards the strengthening of cease-fire and link it with the progress in the case of the general political settlement of the conflict.

"One of these steps I think that would be sending to the region the CSCE observers due to the common agreement of sides" said Eliasson. "This move will contribute to stronger presentation of CSCE in the region" said the Azeri President during the talks with him on Tuesday.

Jan Eliasson also noted the necessity of peace creating atmosphere in the region by the mediation of mass media means. In creating a climate of trust, he thinks, would play a positive role in reducing the antagonist elements in public statements. "I think that the activity of mass media of Azerbaijan has been directed to the creating of this climate" said Eliasson.

According to Eliasson the question on cease-fire was only a part of the talks in Yerevan, some unsettled political problems were reconsidered there, in particular covering the withdrawal issues, refugees' return and juridical guarantee for security.

As Eliasson noted the talks held in the region showed that the positions of the parties upon this question differed from each other. He noted that the uncertainty of peaceful process results are signs of distrust. "Therefore in this stage we should intensify our contacts in all directions, the open contacts may bring to improvement for the mutual understanding between the parties" he regards. He noted that Minsk Group is ready to be a catalyst of the process.

In his turn Heydar Aliyev noted that Azerbaijan's position is unchanging—Azerbaijan firmly stands for the positions of the peaceful settlement of the conflict and hopes mostly to CSCE Minsk Group's activity. "We firmly intend to strengthening of cease-fire regime. If you have received the similar statement from the Armenian side, it may be considered that you are the guarantee of this intention" noted Aliyev.

At the same time Aliyev noted that the cease-fire is not the selfpurpose, this period must be used for the preparation and signing for the Great Political Agreement.

Aliyev agreed with him to the problem of intensifying of talks process. "However we do not see such an intensification yet" he said. According to Aliyev Azerbaijan after having signed the statement about a maintenance of cease-fire intentions on July 27, Azerbaijan insisted on the including to the text a point concerning with the preparation and signing of the Great Political Agreement till the end of August. "August is coming to an end, but nothing has come out yet" said he.

Aliyev noted that if the cease-fire regime is not argued due to the plan of soonest signing of the Great Political Agreement, the fact of maintenance of occupation of Azeri territories by the Armenian occupants will continue as a sign of the frosening [as received] of the agreement on cease-fire.

Touching on the question concerning with the send of the CSCE observers' group to the region Aliyev noted that Azerbaijan always supported this proposal. "However it should be done for concrete purposes, if it is done in the frame of observance for a cease-fire, the issue concerning the Great Political Agreement will appear in the second plan" said Aliyev.

Aliyev said that a tendency to extend this process by the Armenian side is clear to us, however Azerbaijan is categorically against the extension of the process. Aliyev advised him to concern this problem more actively.

Further on the meeting held secretly.

Today Jan Eliasson is expected to arrive in Yerevan to continue the consultations. The visit began to the region with the talks in Baku on Tuesday.

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Aliyev Wants a 'Big Agreement' With Armenia

LD2708110894 Moscow ITAR-TASS World Service in Russian 1940 GMT 26 Aug 94

[By ITAR-TASS correspondent Sevinc Abdullayeva and Viktor Shulman]

[Text] Baku, 26 Aug—Fundamental questions connected with the preparation of a big political agreement on a settlement of the Armenia-Azerbaijan conflict must be given priority when examining the various ways of resolving that complex problem. Such is the view of Azerbaijani President Heydar Aliyev expressed this evening during political consultations with Jan Eliasson, chairman of the CSCE Minsk group on Nagorno-Karabakh, who returned from Yerevan the previous day.

Aliyev called for the negotiating process to be intensified, noting, however, that "he does not as yet see any great intensification" in the attempts to reach a settlement. In this connection, he also drew the diplomat's attention to the fact that such a direction was envisaged in the agreement signed by the sides last month, which stated clearly that a comprehensive political agreement would be drafted and signed during August. However, Aliyev observed, "August is coming to an end, and we still have no perceptible results in that direction."

As for Eliasson's proposal on the expediency of sending CSCE observers to the region, Aliyev pointed out that "he had never opposed the presence of CSCE representatives here, including those carrying out monitoring, but he had always thought their mission should pursue concrete aims." The use of the mandate of that authoritative international organization just to monitor the ceasefire, the president declared, "will sideline questions concerning the preparation of a big political agreement." Moreover, he stressed, it did not matter "whether we work on separate sections or the whole text of this important document; the main thing is not to waste time."

Boz Gurd Party Members Support Chechen President

NC2608195994 Baku TURAN in English 1732 GMT 26 Aug 94

[Text] Baku, August 26 (TURAN)—A group of Boz Gurd Party (Gray Wolf) of Azerbaijan visited to Chechnya to support the President Dzhokhar Dudayev's struggle for independence.

The announcement says that Boz Gurd Party is supporting the struggle of the Chechnya Leader and is ready to assist any kind of help. They are ready to go even to the most dangerous points of Chechnya and sacrifice their lives for the sake of freedom of the Chechnyan people.

The announcement notes that the victory of Chechnyan people in this struggle is very important for all the Caucasus and for Azerbaijan.

Azerbaijan's Claim of GRU Officers' Arrest Denied

LD2608180994 Moscow INTERFAX in English 1603 GMT 26 Aug 94

[Text] Azerbaijan's counterintelligence chief has said the Russian authorities have arrested four officers of the GRU, Russia's military intelligence service, for anti-Azerbaijani activities.

Farkhad Tagizade told a news conference in Baku on Thursday that all four were ethnic Armenians. He named two of them as Boris Simonian and Dzhan Oganesian.

He said Azerbaijan would ask for their extradition.

Russia's Defense Ministry, however, denied Tagizade's assertions. It said the GRU had no officers on its staff with such names.

Aliyev's Meeting With Pennzoil President Reported

NC2708183194 Baku TURAN in English 1729 GMT 27 Aug 94

[Text] Baku (August 27) TURAN—Today president Aliyev has met with president of "Pennzoil" oil company Tom Hamilton and his deputy David Henderson.

Aliyev expressed his satisfaction with the work of "Pennzoil" in Azerbaijan and has noted its great contribution into the oil industry of the country. Concerning SOCAR's [State Oil Company of Azerbaijan] cooperation with the consortium of western companies Aliyev noted the negotiations in Houston are coming to an end and he hopes that despite counteractions of some forces the contract will be signed, with taking into consideration the interests of Azerbaijan. Aliyev expressed satisfaction with the constructive position of "Pennzoil's" representatives at the negotiations held in Houston.

During the meeting "Pennzoil's" president said that, presently there are two issues to be solved. But he did not say which ones.

Then the meeting was held behind the closed doors.

Georgia

Israel Thanks Shevardnadze for Support

LD2608164294 Tbilisi IPRINDA in Russian 1000 GMT 26 Aug 94

[Text] Tbilisi (IPRINDA)—On 26 August, Georgian head of State Eduard Shevardnadze met Israeli Ambassador Barukh Birenbaum who handed him letters from Israeli Prime Minister Yitzhaq Rabin and Foreign Minister Shim'on Peres. They thank Mr. Shevardnadze for his support for the current peace processes in Israel. The prime minister and the foreign minister voice the hope that all problems pertaining to the Abkhaz-Georgian conflict will soon be solved. In Shevardnadze's words, he

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keeps a close watch on the processes currently taking place in Israel and believes the positive shifts will benefit all Middle East countries.

Shevardnadze Receives Bulgarian Trade Delegation

AU2608160494 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 26 Aug 94

[Text] The Bulgarian Government delegation led by Kiril Tsochev, deputy prime minister and minister of trade, that is visiting Georgia, was received by President Eduard Shevardnadze, who briefed the delegation on the economic and political situation in Georgia and stressed the necessity of activating the two states' contacts.

On his part, Deputy Premier Kiril Tsochev briefed the Georgian president on the plans to regulate the legal-contractual basis of cooperation, which are discussed with the Georgian Government.

Two draft treaties were presented: A draft treaty on friendly relations between Bulgaria and Georgia, and on avoiding double taxation and mutually protecting investments.

Mr. Tsochev handed the Georgian president a letter from President Zhelev in which he invites President Shevardnadze to visit Bulgaria.

Prior to the meeting with President Shevardnadze, Mr. Tsochev had a meeting with Deputy Premier Kervalishvili, which ended with the signing of an agreement on trade-economic cooperation between the two countries.

Shevardnadze, Bulgarian Delegation Sign Economic Agreement

LD2608174094 Tbilisi IPRINDA in Russian 1400 GMT 26 Aug 94

[Text] Tbilisi (IPRINDA)—On 26 August Georgian head of state Eduard Shevardnadze met a Bulgarian Government delegation headed by Prime Minister Kiril Tsochev [name and title as received]. It was indicated that the transitional period in Bulgaria was rather complicated. At present, the country is trying to restore links with the CIS countries, including Georgia.

The participants in the meeting have determined prospects of cooperation between the two countries. Namely, the parties have signed a trade and economic agreement. The issues of opening air traffic between Sofia and Tbilisi and establishing a joint bank have been considered. Bulgaria also enjoys an opportunity to export electric power to Georgia via Turkey.

The visitors conveyed to Shevardnadze President Zhelev's official invitation to visit Bulgaria.

Russian Troops Will Not Participate in Exercises

LD2908090794 Moscow ITAR-TASS in English 0829 GMT 29 Aug 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow August 29 TASS—The Russian Caucasian army group will not take part in the military exercises which the Georgian Defense Ministry is planning to hold in the Republic of Adzharia.

ITAR-TASS was told by the army group's press center that it has not heard anything about the possible participation of units from the Batumi Division in the Georgian war games, which are scheduled for the end of August and beginning of September. The press-center stressed that "there are no plans for the participation of Russian military personnel in the maneuvers".

The press center's statement is a rebuttal of earlier reports issued by Georgian military sources that the exercises, which are designed to practice rebuffing an offensive along the land and water routes of southwestern Georgia, were being held jointly with the Russian army.

Abkhazian Deputy Speaker Says All Quiet in Republic

MK2608100494 Moscow OBSHCHAYA GAZETA in Russian No 34/59, 26 Aug-1 Sept 94 (signed to press 25 Aug) p 3

[Interview with Vyacheslav Lakoba, first deputy chairman of the Abhazian Supreme Soviet, by OBSHCHAYA GAZETA's Gennadiy Zhavoronkov in the "Details" column: "What Goes On Beyond the Inguri River"—date, place not given]

[Text] Television, citing responsible sources, reports an aggravation of the situation in Abkhazia. OBSHCHAYA GAZETA's correspondent Gennadiy Zhavoronkov phoned Vyacheslav Lakoba, first deputy chairman of the Abhaz Republic Supreme Soviet.

[Zhavoronkov] Vyacheslav, what is going on over there?

[Lakoba] Everything is very much as usual.

[Zhavoronkov] What is happening in Kodori?

[Lakoba] Russian Deputy Foreign Minister Boris Pastukhov and Commander of Peacekeeping Forces in Abkhazia Major General Yakushev flew there.

[Zhavoronkov] Why?

[Lakoba] To define a disengagement zone for the conflicting sides.

[Zhavoronkov] What is going on beyond the Inguri River? Everybody is talking about rallies and an upcoming breakthrough by refugees into Galskiy Rayon.

[Lakoba] Who is to break through, and where to? Some 40,000 refugees have already returned to Galskiy Rayon. They plowing the land sowing, and harvesting maize. As for rallies, they are attended only by residents of the Georgian city of Zugdidi.

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[Zhavoronkov] May I quote you in reporting this information?

[Lakoba] Sure. And also try to clarify the meaning of Russia's protest note to Tatarstan over its signing a treaty with Abkhazia. First, the treaty between Russia and Tatarstan has not been ratified yet. Second, why is there no protest note to Bashkiria which, just like Tatarstan, has signed a treaty with Abkhazia?

[Zhavoronkov] Will it be correct to advise our readers that the situation in Abkhazia is the same as several weeks ago when I filed a report from the area?

[Lakoba] There have been no particular changes.

[Zhavoronkov] Vyacheslav, can OBSHCHAYA GAZETA still hope to get information about events in Abkhazia not by hearsay but at first hand?

[Lakoba] It can, if this information does not pass through "second" hands....

Refugee Specialists in Abkhazia Called Propaganda

LD2708171194 Moscow INTERFAX in English 1426 GMT 27 Aug 94

[Text] According to the information available to Interfax, only 6 of the 28 Georgian refugees passed through the Inguri bridge into Gali District in Abkhazia by 14:00 today. All of them are specialists in power engineering.

The remaining 22 power engineering workers and their family members included in the list have refused to return, since they believe that there are no guarantees for their security.

In today's interview with Interfax Georgia's Deputy Premier, Tamaz Nadareishvili, described the return of 28 families of power-engineering workers to Gali District as cheap propaganda. "This is not the beginning of the process of refugees' return, but only a publicity show," he said.

Abkhazia is quite interested in these specialists, who are to ensure the functioning of its energy system. It allowed them to return only because of this, Nadareishvili said. According to him, dozens of thousands of refugees are not in a position to return to their homes.

Ardzinba and his aides will not allow the situation to be resolved, because this will lead to their downfall, he said.

Foreign Debt to Russia Amounts to 71 Billion Rubles

LD2708134194 Moscow Russian Television Network in Russian 1000 GMT 27 Aug 94

[From the "Vesti" newscast; video report by N. Kandiashvili from Georgia]

[Excerpt] The Georgian foreign debt to Russia amounts to 71 billion rubles. The debt on state credits amounts to 69.5 billion rubles. And Georgia owes yet another 1.5 billion rubles to the Russian fuel and power engineering complex.

However, the Georgian main foreign debt are payments for the Turkmen gas. Therefore, by a decision of the republic's Cabinet of Ministers, from 1 September payments for gas and electricity will go up fourfold. In the opinion of the cabinet members, this has been done in strict accordance with the recommendations by the International Monetary Fund. It has not yet been announced whether the increase will affect the population. [passage omitted]

Russian Ambassador on Economic Cooperation

AU2608185994 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 18 Aug 94 p 2

[Interview with Vladimir Zemskiy, Russian Federation ambassador to the Republic of Georgia, Zurab Zhvania, general secretary of the Union of Georgia's Citizens, by SAKARTVELOS RESPUBLIKA special correspondent Irakli Japaridze; place and date not given: "1. The First Very Important Step Toward the Restoration of Ties"]

[Excerpts] SAKARTVELOS RESPUBLIKA special correspondent Irakli Japaridze conducted an interview with the initiators and organizers of the first conference on Russian-Georgian economic cooperation: Vladimir Zemskiy, ambassador extraordinary and plenipotentiary of the Russian Federation in the Republic of Georgia, and Zurab Zhvania, general secretary of the Union of Georgia's Citizens. They were asked to assess the main results of this conference and give their views on the prospects for cooperation between the two sovereign states.

[Zemskiy] **I believe the results of the conference should be assessed as being very positive, if only because approximately 40 treaties and protocols of intent on joint investment activities in various branches of industry and agriculture were signed.** We hope that all this will not remain on paper.

It is to be welcomed that the participants in the conference expressed the desire to organize such bilateral forums again in the future, which will give us the chance to create new economic ties between Russia and Georgia and lay the foundation for an integrated mechanism that will unite the largest and most promising economic structures and, in so doing, transform them into transnational corporations and industrial financial companies.

There is no doubt that the conference has not only economic but also political significance. It once more underscored the traditional closeness between our two peoples. I am very happy that it is precisely Georgia—of all the former Soviet republics, it is obviously in the most complex economic situation—that has been the first to take it upon itself to organize such an important forum and, thereby, has set an example to the other CIS countries of how to organize bilateral economic cooperation.

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[Zhvania] Many things have already been written and said about the Russian-Georgian conference on economic cooperation. **In short, I would say that, against the background of the stagnation of the last few years, this was the first breakthrough insofar as an economic revival in Georgia.**

As regards specific results, more than 40 treaties and protocols of intent were signed and talks were begun on the realization of dozens of large-scale and important projects. It should be said that fruitful work was carried out in those sections where Georgian entrepreneurs turned up already prepared. In this respect, it is really worth singling out the light industry and mechanical engineering sections. In two days of work, not only was agreement reached on the first day on questions concerning the mutual supply of raw materials, the regulation of banking relations, and the promotion of sales, but also specific issues were resolved such as completing the construction of light industrial facilities in Kutaisi and Shulaveri, and putting them into operation. Kutaisi's mechanical engineers were particularly successful in their work. They reached agreement on producing bicycles and 2 metric ton trucks on the base of the Kutaisi motor works.

It is very good news that the "Orgteknika" factory, which together with its Russian partners produces stationery on a large scale and which was evacuated from Sukhumi, is receiving serious assistance.

Interesting projects were planned regarding cooperation in the military industrial sphere; these concerned not only such giants as the Tbilisi Aviation Factory but also enterprises in this branch located in Georgia whose unique potential has been virtually untapped.

Of course, I personally do not share the enthusiasm expressed by Russian and Georgian power engineers regarding the renewed construction of the Khudoni Hydroelectric Power Station, but cooperation between power workers is in general acquiring a reassuring form. I am referring to the active participation of Russian specialists in restoring the Kavkasioni transmission line, carrying out repair work on the Gardabani State Regional Hydroelectric Power Station, and restoring and putting into operation other power facilities.

In contrast to this was the work in the agricultural section where, to all intents and purposes, only the "Amaltea" combine showed its worth. It succeeded in drawing up two very important agreements in contrast to the remaining representatives of this branch who met their Russian partners completely unprepared.

In general, I believe that an extremely important process has begun in Georgia. Georgian entrepreneurs are no longer satisfied with simply observing how events develop. They are presenting politicians with wholly concrete and strict demands. This is the first sign of the formation of a new class of entrepreneurs and owners in Georgia. I am convinced that it is precisely they who will achieve the final breakthrough in the rehabilitation of our state.

Parliament Chief Denies Pro-Russian Policy

MK2708103994 Moscow NEZAVISIMAYA GAZETA in Russian 27 Aug 94 p 3

[Report by Tenghiz Pachkoriya under the "NEGA Reports" rubric: "Georgia"]

[Text] Recently, the National Democratic Party of Georgia, which has its representatives in the Georgian parliament, has been leveling scathing criticism at parliamentary speaker Vakhtang Goguadze, accusing him of pursuing a pro-Russian policy, "being disloyal to Eduard Shevardnadze, and desiring to assume the post of Georgian leader."

On 26 August, the "SAKARTVELO" ("REPUBLIC") central newspaper published a response by Georgian Parliament speaker Vakhtang Goguadze to reproaches from the national democrats. "Criticism leveled at me goes beyond criticizing an individual," Goguadze believes. Rejecting the accusation of taking pro-Russian actions, he notes that he "on the contrary, is Georgia's representative in Russia" (a sort of unofficial representative), meaning that as parliamentary speaker he is a member of the leadership of the CIS Interparliamentary Assembly. Goguadze states that he favors friendly relations with Russia characterized by mutual trust. In his words, the fist-shaking policy Georgia pursued in the late 1980's and early 1990's proved to be detrimental to the state. According to Goguadze, without accord trusting relations with Russia it will be impossible to reclaim the territories Georgia has lost—Abkhazia and South Ossetia. "I have no secret relations with Russia. As all Georgian intellectuals, I respect Russian culture and believe that we need normal relations with Russia," Goguadze said. As for charges of his laying claim to power, Goguadze writes as follows: "In fact I do not deny that my views on a whole range of issues diverge with Shevardnadze's, but this does not hamper our friendly relations based on mutual trust. As early as the late 1980's, when Eduard Shevardnadze was first secretary of the Georgian Communist Party, I criticized him for some of his actions while remaining his friendly opponent." In Goguadze's words, the National Democratic Party is rushing too much to come to power, this is why they are disseminating insinuations about their potential rivals who could oppose their bid for Georgian leadership. Goguadze thinks that this party is not yet prepared to run the country.

Opposition Parties' Solidarity With Chechen People

LD2608152394 Moscow INTERFAX in English 1341 GMT 26 Aug 94

[Text] On Friday 47 radical opposition parties of Georgia sent an address to the Chechen people in which they call for preventing the dismissal of Chechen President Dzhokhar Dudayev.

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The address points out that today Chechnya "is the organizer of the All-Caucasian movement, an island of freedom from Russian occupational forces in the Caucusas."

The Georgian radicals expressed their solidarity with the Chechen people in their struggle against "imperialist forces."

Former Speaker Seeks Asylum in Finland

LD2608125994 Moscow ITAR-TASS in English 1206 GMT 26 Aug 94

[By ITAR-TASS correspondent Vladimir Mostovets]

[Text] Helsinki August 26 TASS—The former speaker of the Georgian parliament, Merab Kiknadze, appealed to the Finnish authorities to grant him political asylum on July 15, ITAR-TASS was told today by Aila Niinimaa-Keppo, chairman of the "Finland-Georgia" society.

The chairman said that Kiknadze, who was a close ally of deceased Georgian president Zviad Gamsakhurdia, had maintained that he could not return to his homeland because of the events now going on there and the order which is out for his arrest. Kiknadze was accompanied to Finland by his wife and 13-year old son.

According to Niinimaa-Keppo, Kiknadze and family are currently staying in a town in the west of the country and awaiting the Finnish authorities' verdict, which will probably be positive.

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Estonia

Defense Ministry Troops on Final Russian Departure

LD2808162394 Moscow INTERFAX in English 1432 GMT 28 Aug 94

[Text] On the night from Sunday to Monday the last train with property and personnel of the Russian troops will be withdrawn from Estonia, Interfax was told by a spokesman for the Estonian defense ministry. He said that a small number of Russian servicemen stay in the republic. On Monday and Tuesday they will hand over military bases to the Estonian authorities.

It was announced in the republic that on August 31 and September 1 there will be festivities in Estonia which will be devoted to the symbolic end of the World War II and Estonia's secession from the Russian Federation. Estonian President Lennart Meri and Prime Minister Mart Laar will make speeches.

The spokesman said that the troops will be pulled out before August 31 scheduled by the agreement signed by the Russian and Estonian presidents.

In line with the understandings reached by the presidents of the two countries, Estonian authorities were handed over the lists of all Russian pensioners who live in the republic.

'Special Regime' for Opening Reactor Canceled

WS2908093994 Tallinn BNS in English 1621 GMT 26 Aug 94

[Text] Tallinn, Aug 26, BNS—A decree by the Estonian interior minister Friday ordered to cancel the special regime on Pakri peninsula. The regime had been established for Aug. 24, the time of opening one of the two Russian army nuclear reactors in their former Paldiski nuclear submarine base on the peninsula.

Although the regime is canceled, checkposts on the territory are still functioning, and all who enter the peninsula have to present an identification document, Juri Tikk told BNS. Tikk is special government representative of Estonia at the Paldiski nuclear base.

Russian specialists on Aug. 24 opened the more modern, 90- megawatt reactor in Paldiski. The phase considered as the most dangerous in the dismantling process was completed without any incidents, the radiation level in Paldiski remaining below the normal level.

Removing the fuel rods from the first reactor should be completed by Sept. 15, and from the second, 70-megawatt reactor, by Oct. 20, said the ITAR-TASS news agency, quoting Boris Papkovsky, vice chairman of the Russian nuclear energy ministry head office.

Government Imposes Economic Sanctions on Haiti

WS2908094794 Tallinn ETA in English 1148 GMT 27 Aug 94

["News Release"]

[Text] Tallinn, August 26—The Estonian Government imposed sanctions against Haiti on August 23, the government's press office informed ETA on Friday.

Under the decree issued by the government, the Foreign Ministry and the National Aviation Board are not allowed to grant flying licenses to aircrafts bound to Haiti. The National Customs Board must ban import, export and transit on goods from Haiti with some exceptions under the United Nations Security Council resolution.

The Estonian Border Defence Board is not allowed to grant entrance into Estonia to Haiti's military officers, police workers and persons who participated in the illegal government that took power in 1991 coup, persons on Haiti military payroll and people working in their name as well as their close relatives except if their entrance has been approved by an United Nations resolution.

Above-mentioned persons cannot use bank services and their financial resources are to be frozen.

The sanctions will be enforced pending fulfillment of the Governors Island agreement and resumption of democracy in Haiti, the government said.

Latvia

Candidate for Premier Maris Gailis Profiled

LD2808145994 Moscow ITAR-TASS in English 1334 GMT 28 Aug 94

[By unidentified ITAR-TASS correspondent]

[Text] Riga August 28 TASS—The candidate for Latvian prime minister, Maris Gailis, intends to go ahead with reforms, laying the main accent upon implementation of the decisions and laws already passed.

Gailis, who is currently deputy prime minister and minister of reforms, was nominated as a candidate for prime minister at a meetings of the "Latvian Path" party, which was entrusted by the country's president to form a new government to replace the cabinet that resigned six weeks before.

Gailis, 43, has a degree in mechanical engineering. He began working for government structures four years ago, when he headed the department for foreign economic relations. Prior to this, he worked as an engineer at a furniture factory, and then as director of the Riga video centre.

In an interview with TASS, Gailis said he considered the ratification of the Russian-Latvian agreements as the top priority political goal in the current relations with neighbouring Russia. According to him, this issue is expected to be discussed by the sejm (parliament) within the next two or three weeks. With the present line-up in parliament, the documents are quite likely to be approved, Gailis said.

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The Latvian Path, a liberal conservative party, plans to form a new government with due regard for opinions of other political forces. Preliminary consultations have already been held with their parliamentary factions. Experts believe this coordination of interests will help the would-be government to win support in parliament.

The Latvian Path faction is the largest in the sejm: It has one third of the seats. The party numbers 173 members and 52 candidate members. They include the sejm chairman, as well as nearly all ex- ministers, who remain at their posts pending the formation of a new government.

Bank President Comments After IMF Visit

LD2708122994 Riga Radio Riga Network in Latvian 2000 GMT 26 Aug 94

[Text] In order to speak about cooperation and assistance to be provided to Latvia by the International Monetary Fund, on Friday IMF representatives met with Latvian ministers. So far the International Monetary Fund has granted to Latvia 321 million lats in credits. At present, half of this has been spent, but part of the remaining credits will be used to stabilize the economy. In order to ensure that the increase in borrowed credits is not too great a risk for the country, the Saeima will have to make a resolution on its (?use). At a press conference on Friday, Bank of America President Einars Repse spoke about the lats and the stability of the budget, also mentioning cooperation with the IMF.

[Begin Repse recording] The Bank of Latvia will also do everything possible so that the lat is stable. Up to now it has not been too stable; after all, inflation since the beginning of this year is 16 percent, and therefore real everyone's wages, their savings, and their pensions have fallen in value by this 16 percent. We intend to reduce this even more, so that inflation is firmly under 10 percent—to be expected next year. However, stability can also be affected when debts are repaid. And the methods here are various: My method is to think of who will pay back the debt and by what means, so that there are enough funds. You could also pose the question to yourself: From what funds—either current or from future years requiring a repayment of 77 million in lost credit and then perhaps 8 million in what is potentially lost—will this money come? I think that neither now nor in three years' time will there be such funds in the state budget. If there are such funds in the budget and these are paid into the accumulated funds, in that case, as I said, the Latvian state may take the risk of borrowing a little more. And it would not be right, in 10 years' time, to get into a situation where the budget can no longer pay out, and in such a case, Latvia would in fact have the burden of foreign debt. [end recording]

Lithuania

Economic Referendum Invalid Due to Low Turnout

LD2808135694

[Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 0900 GMT on 28 August broadcasts a two-minute report from a news conference this morning where Zenonas Vaigauskas, chairman of the Main Electoral Committee, says that preliminary results of the referendum held 27 August on illicit privatization and compensation of people's savings have been received by the commission.

Vaigauskas says: "I must tell you that 892,399 voters took part in the referendum. The above figure does not include voters abroad. This comprises 36.8 percent—according to the counting protocols of the vote counting commissions at the constituencies.

"At the same time we have a problem in determining the number of end voters. It is known that 2,552,272 passports have been issued in Lithuania, and those people are citizens of Lithuania."

Vaigauskas also says that a certain number of people have no right to vote because they have no fixed address. The speaker says that on the day of the referendum 127,367 voters were erased from the voting registers. This figure is rather high.

The main reason for this, according to Vaigauskas, was that it was impossible to determine their address. This will present us with a problem because we will have to verify whether this has been the reason for preventing these people from voting, he says.

The chairman of the main electoral committee says that 53,845 voting papers were found invalid, which comprises 6 percent. Vaigauskas also says that 745,072 voters voted in favor and 93,814 voted against.

The highest turnout, 55.1 percent, was recorded in Neringa, and 52.1 percent in the Kaunas region. Therefore, those constituencies would be the only regions where the referendum could have been considered as having taken place. In other cities and rayons of the republic the turnout was less than 50 percent.

The chairman of the main electoral commission says that the referendum is invalid because less than 50 percent of voters took part in it.

In conclusion, Vaigauskas said that the preparation for the referendum was adequate and that the preparation work had been concluded on time. He also noted that no serious violations of the referendum law had been recorded.

Further on Invalid Economic Referendum

LD2808130694 Moscow ITAR-TASS in English 1106 GMT 28 Aug 94

[By ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius August 28 TASS—An all-Lithuanian referendum on economic problems, held on Saturday on the initiative of the right-wing Fatherland Union (Lithuanian conservatives), ended with the union's complete defeat because of the passivity of the electorate.

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The party is headed by Vytautas Landsbergis and Gyadminas Vagnorius.

It is clear already that the referendum will be recognised as invalid, a spokesman for the Central Electoral Commission, which is still counting the ballots, told ITAR-TASS today. No more than 35 per cent of the people, entered on the voting lists, came to the polling stations.

According to the regulations on holding referendums, its organisers should have received more than half of the votes for their draft law "on the illegal privatization, devalued bank deposits and shares, as well as the violation of the protection right" to be regarded as approved. This did not happen, however.

The ruling Lithuanian Democratic Labour Party, the president and the government argued that if provisions of that draft law were put into practice, this would do a lot of harm to the Lithuanian economy, its financial system and reforms. The main provision deals with the indexation by 100 times of bank deposits of the population at savings banks, starting from February 1991, at the expense of the state property which has not yet been privatized. This would require about one billion lat from the deficit-ridden budget, which just cannot be found.

The Democratic Labour Party argued that the right-wing forces, using populist methods and taking advantage of the difficult economic situation of the republic, tried in this way to get back to power and to announce pre-term parliamentary and presidential elections.

The Central Electoral Commission will make public the results of the voting today in the afternoon, after which the Democratic Labour Party and the conservatives will hold press conferences and comment on them.

Prime Minister Insists on Link With U.S. Dollar

LD2708143094 Moscow INTERFAX in English 1206 GMT 27 Aug 94

[Text] As Lithuania's Prime Minister, Adolfas Slezevicius, told Interfax, he insists that the rate of the lit should continue to be linked to that of the U.S. dollar.

The official value of Lithuania's monetary unit—lit—was linked to that of the U.S. dollar on April 1 this year in accordance with the bill on the reliability of the lit at the rate of 4 lits for one dollar. Lithuania's Inter-Bank Currency Exchange ceased its sales almost at the same time. Therefore the value of the lit against the dollar has remained unchanged for about 5 months.

In the meantime the value of the lit against other hard currencies began to lower gradually. For instance, between April 1 and August 24 its value against the Deutschemark [DM] fell from 2.3915/DM1 to 2.6105/DM1, and against the British pound [GBP] sterling from 5.9224/GBP1 to 6.2150/GBP1.

According to Lithuanian banking experts, the fall in the lit's value against hard currencies shows that the lit is devaluating. Besides, the experts said, in the past 5 months the lit's puchasing capacity decreased considerably. (The Financial News Agency's note: the level of inflation in Lithuania was 1.6 percent in April, 6.2 percent in May, 2.1 percent in June and July). In this connection experts speak in favor of giving up the fixed rate of the lit against the dollar.

In comments on this Slezevicius told Interfax that in the next 12 months there will be no economic foundations for discussing the possibility of devaluating the lit and giving up its linkage to one of the hard currencies.

The irresponsible remarks concerning the impending cancellation of the fixed rate of the lit against the U.S. dollar only serve to destabilize the situation in the currency market; they are political speculations, Slezevicius stressed. According to him, the lit rate will remain stable by the end of this year, and inflation will not exceed 35 percent.

According to Lithuania's Finance Ministry, in the first 7 months of this year the growth of prices made up 25.5 percent, against last year's 188.7 percent. Early this year the government predicted that the level of inflation will be 50 percent.

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